

City Council Work Session Transcript – 5/8/2018

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>> Mayor Adler: All right, council. It is may 8, 2018, it is 9:04, it is work session here today in the board and commission room at city hall hall. Today's agenda has pulled items. Excuse me. We have three briefings and we have some potential items for executive session today. I don't know how long it will take us to go through the pulled items that we have. We only have five pulled items. I don't know if we're ready to try to knock off these, let some staff go. First unwas pulled by councilmember kitchen, who is not here yet. The next one pulled by councilmember Flannigan related to council committees. Did you want to address that? >> So you can see on your handout both a description of what we're trying to do with my preference on this council committee change and then the actual ordinance language, limiting to five. I'm not a big fan of these committees just being committees as a whole. I think that's kind of weird. And still having the process initiated by the mayor laying out the list of names. And unlike the existing ordinance that did not allow the council to make changes, we can make changes from the dais like we would have done anyway. That's roughly what the version that I've got here, which is different than the one that's in backup. And I think I posted this on the message board a week or two weeks ago. So it's been out there. >> Mayor Adler: Okay. Does anybody want to discuss this? Mayor pro tem?

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>> Tovo: I'll just say I support the changes in the backup that the staff brought forward for the reasons that I articulated the last time. One, I think when we have interested councilmembers who want to serve on a committee, I think they should be permitted to do so. We had this discussion in the context of the housing committee and councilmember kitchen and I both wanted to serve on it and there were not spots and we were not appointed by the mayor. So we have not been able to serve. I mean, I continue to bring forward lots of housing resolutions, so it's not slowing me down, but generally I think these are committees of the council and the council should have a role in determining, one, interested councilmembers should be able to serve beyond the number that we currently allow. I think we should

as a council have discussions about who is appointed and if these are committees of the council, we should have more role in discussing among ourselves who wants to serve on them. So I support that change as well with all due respect to the mayor, who I know has put a lot of thought into it and consideration in composing those committees. I just think in terms of long-term sustainability the council should have more of a role in determining not just our council, but future councils should have more of a role in determining that membership. And I think that's the substance of the disagreement. The size, how those are established. I think it's very unusual that we will have all 11 wanting to serve on a committee, so while I share the -- to some extent share the concern about having committees of 11 people, I think it will happen very seldom. So I'm going to support the staff's. >> Mayor Adler: Councilmember alter. >> Alter: I'm just curious that we wanted to establish a committee of the whole for housing and planning. I mean, under both options we would have that

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opportunity, we could do that. Is that correct, Mr. Flannigan, that we would still be able we wanted to have a committee of the whole, a the any instance we just have to make a decision as a council that we wanted to do that? >> Flannigan: Like with anything it's very hard to stop us from doing anything we want to do in the future. I think the-- we often get into the situation of we'll just do everything and that's not a choice, that's a non-choice. So if we're going to have things that are called committees, I don't think they should be six people or more. Nothing prohibits councilmembers from showing up to committee meetings. We've already had that happen with judicial committee and other committees where you can come and participate in the debate and ask questions of the people providing testimony. There's nothing that prohibits that, but if we're going to have committees, then they should be committees and not just council meetings. And councilmember alter, to your point, at any point in the future we can change this ordinance again, and the process of creating these committees always allowed discussion amongst the council, always. The old ordinance was weirdly written in a way that probably wasn't even enforceable, I think, that prohibited the council from making changes from the dais, which I don't think we could actually do ourselves, but now I think it's just a little clearer in what I've proposed, which is the mayor puts out a first draft and then we can debate and make changes from the dais like we do with just about any ifc. >> Mayor Adler: Mr. Casar. >> Casar: Mayor, I do like setting a boundary for ourselves at five members, just so that there is equal expectations in the community so that we don't wind up getting ourselves into situations where committee meetings become a council meeting where people don't have a sense that they have to get -- be on as many

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committees as possible. I don't see that as a likely outcome in the short-term future, but I think by leaving the ordinance open to committees having as many people as we want, we tend to take up the space that we give ourselves as we see in council meetings, as we see if we have additional council meetings, and I think if we don't set a cap on the number of people, of course understanding

councilmember alter's point that we could always alter that cap, but setting that expectation I think is something that I prefer. >> Mayor Adler: If there's a majority to support this I'll support what you're doing, Mr. Flannigan. I'm not sure we've gotten the committee structure right in the way that helps us. I think the intent is to mine the work of -- minimize the work of council and I wonder if we're repeating work and it actually adding time requirements for everybody. But I would also support putting a limit at five that we can change any time we want to. In part because the more people we have at a committee meeting, then the one or two or three people that didn't attend the committee meeting that are attending the regular meeting, we don't even get the full presentation for them. So then the emphasis almost seems to be you almost have to go to the committee meeting if you want to participate and that goes against the purpose of -- and that defeats again the purpose of committees. I'm not sure with this change we have it right, but I think it gives us more capacity on committees and the selection process I'm fine with letting the council ultimately on the dais change that. So I'd support that. Ms. Houston? >> Houston: Thank you, mayor. And I agree that I don't think we've gotten it quite right. The health and human services council committee has a myriad of things that it's responsible for. I don't think it's things that nobody else had a

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committee for. But the largest one and the most impactful one is the public health social service contracts. And we're the ones that are supposed to vet all of those, and we don't have the time or the capacity to do that. And so it would be helpful to have a committee to be able to have those run through. We go from a, animal services, to immigrant affairs, but the biggest portion of the work that we do is making recommendations on those council committees. And there's no commission that vets those before they get to us. So we end up not having -- unless it's something that one of the members is particularly interested in, then that's the one we focus on. So something's not quite right that we still need to work on. >> Alter: Thank you. I understand from Mr. Frank that he has different experiences with committees from Minneapolis and I really hope when you come back with your 100 day report and you've had your chance to really get to know us and see how things are going to you will have some suggestions that we may be able to incorporate into our committee system. I don't know that you're prepared to share that today or in this forum. But I do think -- I agree with the comments that some of my colleagues have made that even with this we don't have it fully right. On the housing and planning, I've always interpreted our codenext discussions as a committee of the whole for a planning set of issues and so for that piece of it I feel like we have in a sense de facto created a committee of the whole by just having the discussions as a full council. And I think we should be mindful that there are colleagues who want to serve on a housing committee and there may be more than six of us, so that may be one particularly -- if we ever

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get to move off of codenext, that we want to think about whether we have the right configuration for that moving forward so that we can address those needs. There may be folks who want to be more on planning and some folks who want to be more on housing, and it may be a very different kind of committee once we move through the codenext process. And I think the discussion is in many ways one that we're having because of a concern about housing and planning. So it's not necessarily about all of the other committees. And I just want us to recognize that moving forward. >> [Inaudible]. >> Kitchen: Well, I will talk to councilmember Flannigan, but I'm wondering if there's a way to -- so that we don't have to keep changing this in the future, go forward with what you have, but allow for some language that would allow the council -- just recognizes that the council as a whole in a circumstance that perhaps the council as a whole wanted to vote for, that there might be a circumstance where there could be six. So in other words, so number one is increase the membership from three to a maximum of five. And just language such that it says unless the council as a whole decides to do otherwise. I mean, better language than that, better language than that. Just allows for -- allows and recognizes that there may be some circumstance in the future that the council might want to vote on an exception to that. So that we wouldn't then have to go back and change the whole ordinance again. So that's -- it's just an idea, you know, for consideration. >> Flannigan: My preference and I think it's fine to just take care of this so that it's done and then let the manager come back with a much better

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package of ideas for a committee structure because I think we've all had different conversations about how do we make these committees effective and purposeful and valuable for our very limited time resources. So I think as long as we just clear this one up and then maybe have a longer conversation with the manager. >> Mayor Adler: Mayor pro tem? >> Tovo: So I support -- I would support that. I think that offers a good balance of three to five, which I think is -- three to five, but then have a very easy means where we don't have to adopt changes to the ordinance to have a committee of the whole, if that seems like the best plan. I think that allows for those opportunities when there's a large interest among the council. I guess I'd like to talk a little about the other body of changes. Nobody else has address addressed that. Again, I think it is important to have a little bit more collaboration on those committees. They are our committees. And discussing the membership. I had raised the concern that the last time we took this up we didn't even have a conversation ahead of time about who might want to serve on a new committee. That was just simply something that happened outside this process and was a nomination and something agreed upon among those committee members and the mayor. And I just -- I think that we really need to have a more collaborative process. So the staff had brought us forward something that I think was more akin to that, and councilmember, you're recommending not accepting those, so I think I would like to have more conversation around that piece. >> Flannigan: So if you see part D in my substitute ordinance where it talks about the committee membership being discussed at the first work session of each year. So there's that moment. The very first meeting where we can as a full council talk about what our committee preferences are.

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But it's really just about streamlining the process. So the mayor takes that information in, you puts out a first draft of that list and at the council meeting we can amend just like we do with just about anything else. So I don't see this as being collaborative. It directs staff to have us have this conversation the first work session of the year and it's the mature drafting it as if it were an ifc. I don't see it any different than just about any ordinance that we put together. >> Tovo: Okay. I'll take a look at this battery of changes. I would like it to also include a discussion possibly of task forces as well because they also have happened outside of a council discussion in several instances. >> Mayor Adler: So I invite the council discussion just by way of background. When we first initiated this after we discussed what the process would be, there are a lot of appointments that are made as we go through the cycle, not only do we have the council committees, but we had the appointments that we had to make to campo and to cap metro and to lots of different things. As you might imagine, there were a lot of people who wanted to serve in a lot of places that have limited membership, which of which we can't do anything about, like campo and cap metro. So pursuant to the discussions we had before, I was able to visit with everybody and figure out what people's key interest areas were, try to make sure that the people that were involved wanted transportation generally, were able to serve in multiple places in transportation so as to cross-pollinate stuff. Trying to make sure that everybody -- even though there were limited spaces, that everybody had the ability to be on the things they wanted most to be on. Also in a 10-1 council to make sure that different voices around the city, different demographics, had voices that they could bring to bear in lots of different places. And I think that it is helpful to have a place of departure for the council to

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work off of just like we've had groups come to us. I just think it's going to make the work of the council a lot easier if there's a pointed departure to work off of like that. I think it worked well when we did that before. Councilmember pool. >> Pool: I think the primary difference from what I'm reading in the version 2 that is in the backup for our books for item 19 and the one that councilmember Flannigan has offered as a substitute ordinance, one of the main differences is who actually puts the list together and who peoples each council committee. In the version two that's in the backup, we decide and we do that in an open meeting and we come to consensus among ourselves. In the Flannigan substitute ordinance, we indicate what we'd like to do, but then the mayor develops the nomination list for the council committee. And the specific reason why we were moving toward a general consensus to be worked out among ourselves in an open meeting was in order to allow ourselves the autonomy to make these decisions and determinations, which I think we're completely up to the charge to do. And in fact, that element of the version that's in the backup was specifically a request of members of this body to say that we were -- while we were comfortable in having the mayor assist with this effort in the beginning when we had 10 committees, we were all new and we didn't yet know what the process would unfold like, we were picking those pieces where we could dive in and work on ourselves, but then we also needed somebody in the aggregate to pull it together and then provide the finished product. I think we're beyond that. I think that as a new

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council that made a lot of sense to ask for that assistance and I know that his staff went to great lengths and it was a huge effort for that excel spreadsheet to work out to make all those appointments. We likely won't have such a massive turnover on this council again in the near future. And all of us pretty much understand where we want to be and what needs our districts have so that we can make our choices periodically, but I think we're all capable of doing and and I think we're all capable of coming to an agreement among ourselves on who should be on what committee. So I don't think we need a mediator or the mayor to make those decisions for us. So that's why I support what is in part 1-a as the backup explains. We're trying to put the autonomy back where it belongs, which is on us. This is not a strong mayor council. Each councilmember is equal to the mayor. And in our voting authority and we think that that -- I think that that should be reflected in how we put our council committees together. >> Mayor Adler: Mr. Flannigan and then Ms. Kitchen. >> Flannigan: So to be clear, the mayor is not making the decision the way you laid it out. The mayor is just putting the list together just like an ifc. What I'm hearing from you, councilmember pool, is having a conversation in work session is not the council collaborating. You also intimated that the mayor is making the decision when he's not. The council will still make the decision. Everything we do is somebody proposing a draft text and then we make amendments from the dais. That is literally how all of our business is conducted. I can't even picture how it happens without that. So somebody has to come up with a draft list in order for it to be approved. So in this scenario where it's not the mayor, are there now multiple -- I

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imagine there would be -- multiple people proposing slates of committee members and then we're in a Robert's rules scenarios of substitute motions and amendments to amendments and it just seems wholly unnecessary when we can have this conversation, the mayor can put it together and then we can make amendment amendments like we do with literally every other decision that we make. >> Pool: If I can respond to that, I'm reading the item D where it says on your substitute, councilmembers will indicate the council committees on which they desire to serve and the mayor will use this information to develop a nomination list for the membership of each council committee. And then it goes on to say that it would be approved by the council. So I don't think we would get to the place that you're describing with Robert's rules and multiple slate slates and that sort of thing. I really would imagine we would go around the table and say that we would like to be on xyz committees and then we would work through it and people them. We kind of did that before. I think we even used the whiteboard here back in 2015 or something to kind of work on who was going to be on what committees. So that's why I was reading this text here as giving the authority to the mayor. Now, if that isn't what you're intending, maybe you can offer up some amended blank amended language so that it doesn't sound like that that the mayor will develop a nomination list as opposed to each committee of the council -- may consider changes to council committee membership at any work session. The council committee is determined at the beginning of the first council work session of each calendar year. Councilmembers will select the council committees on which they will serve. So we choose that. In this one we just say what we would

like, we desire, and then the mayor develops the nominations. That's what I'm -- if that isn't what you were intending, maybe go back and look at that's in the backup and there may be some language that would be

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clearer at least for my reading. Thanks. >> Mayor Adler: Anything else on this? >> Flannigan: It's already in here. So part E and you go into 1, 2, ABC, and the council can either ratify what the mayor has laid out or make individual changes to anything that's been presented. It is just a nomination list and the council can do whatever it wants. Frankly I think it could anyway, but it is clearly detailed in the part E. >> Mayor Adler: Okay. Can we move on to the next one? Councilmember kitchen, do you want to talk about item number 16? >> Kitchen: I just pulled this so that I could let considering posting an amendment on the message board, which I don't have up yet, but hopefully we'll be doing that before too long. But I just wanted to give people a heads up. What I'm interested in doing with item 16 is focusing on the aspects of the various options that we have that relate to administrative requirements and enforcement. So I prefer to focus on that aspect to move forward. Those are areas where we clearly need some definition on a process for proceeding. And that's the way I think to address the situation that we're in right now. I'm uncomfortable with moving forward with attempting to make a -- attempting to define the language in the charter because the language that's been in the charter in terms of the composition of the planning commission has been there for quite some time. And I'm not thinking that we need to change it, as we found from our discussion last week or as I found from our discussion last week, the more we've tried to parse language, the more we

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either inadvertently leave people in or out. So I don't think the language in the charter is the issue. I think it's our process for how we appoint people. So that's what I would like to focus on in terms of what we do with item 16. So I just wanted to give everyone a heads up that I will be posting something to that effect. And so that's the only reason I pulled it. And I apologize that I don't have language for people to look at right now, but I will post it. >> Mayor Adler: Okay. Thank you. Anything else on this? Mayor pro tem and then councilmember Houston and then councilmember alter. >> Tovo: Councilmember kitchen, I just want to understand one piece of that. So if I understood what you were saying, you wouldn't suggest clarifying who the charter language applies to? >> Kitchen: I would not. All I would -- the various options that we have right now have -- I think all the options we have right now have section number 3 that says either administrative requirements or enforcement requirements. And there's some differences between them, but they're all focused on the concept of what is the process that council goes through to get the information that the council needs to determine an individual's background, an individual who is being nominated for participation on the planning commission. So there's that component, which I think that we need to spell out. And then the other component is that we've struggled with is what do we do now because we have some concerns and we've raised some

issues about our ability to remove folks from the planning commission, understanding that that would require a charter revision. And so at least one of our options has language in it that suggests that if that's what it takes, then that that language be brought back to us to consider putting in on the ballot. So I don't have the exact language now, but that's what I'm talking about.

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And from my -- just from my personally I'm not comfortable voting on any definitional language, whether it's option a, B, C, D, whatever we come up with. I'd like to leave the language in the charter the way it is. Because I don't think we need to change it to get at the problem that's in front of us. >> Tovo: Thank you. >> Mayor Adler: Ms. Houston? >> Houston: Councilmember, thank you for bringing that up, but how do we get to the issue that's before us now? How do we -- I mean, I'm not -- >> One of the options, I forget which one it is right now, suggested that I think it has language that city manager back to us with an enforcement mechanism and if it requires that we make make a change to the charter that there be language come back to us that we could change the charter. And that goes back to the concern that the way the charter is written right now we're not allowed -- we don't have the authority to just remove folks. So with the change in the charter that could be done. So I think that would be important to do going forward to clarify that. >> Houston: So that's a going forward kind of posture. >> Kitchen: Well, because it's in the charter that means going forward means we would have to do that right after a vote. So we wouldn't be able to do that until after November, assuming the public approved it. >> Houston: And you come up with such creative ideas, you can't come up with something that says how do we -- how do we regulate ourselves at this point in time so that we're not in violation of that charter that we are trying not to change any definitions and trying to make sure it stays intact? Because it's pretty clear. So that's the part that we never get to in these discussions is how do we work around. How do we do what needs to be done now to make sure

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that this council or the planning commission is respective of what the charter says. And I've not heard any -- I'm not that smart, though. [Laughter]. >> Kitchen: Neither am I and I haven't heard anything either other than people voluntarily leaving because we don't have an option -- at least I don't believe basioned on our advice from our council that we don't have the ability to remove at this point. So we need to fix this process in the future so we don't get in this situation in the future. Fix the process so that we can in the future have the authority to remove. And then other than that I think we just have to -- I wouldn't be surprised if some people want to leave in the summer. I don't know. But I don't see that as - I don't know that we have a route other than what I've suggested. I'm open to listening if anybody has an idea about that. >> Houston: Thank you. >> Mayor Adler: Councilmember alter. Councilmember pool? >> Pool: I just wanted to make just a small correction. Our staff have not said that we don't have authority to remove. We don't have a process to remove. Possibly the process may have some small risk. I believe they indicated it would be very low risk. That we would be challenged for the removal of a

planning commissioner, but that is still within our authority to do, but what we're trying to do is get a process so that it doesn't-- so that we have a clear route forward on this. I was hoping to change the definitions because I wanted to get some clarity that seems to be missing. My chief concern, though, is that we get right with the charter. And it sounds like we need two or three steps to get there. One of them includes process for removal currently. We can look at attrition, which has always been kind of out there, but never really taken advantage of. And then we absolutely have

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to make some changes to the charter so we have to make sure that we include those elements to the ballot in November. But I just wanted to clarify for whoever may be listening that council has authority to make changes to all the commissions. We don't have a process. And that's what we need to work on. >> Mayor Adler: Councilmember alter and then councilmember kitchen. >> Alter: I want to first of all clarify that what's in draft A or B or whatever doesn't change the language of the charter. It provides a mechanism for us to fulfill our obligations to interpret the charter. It is mine and several of our colleagues position that we are in violation of the charter in terms of who is serving on the planning commission, and that is really what we are trying to address and the definitions in there provide a way that is not specific to a particular person to be able to arrive at a decision as to who is ineligible. I have passed out another option B that has a time stamp on it. I will post this to the message board. It's still slightly a work in progress. We have had several conversations -- I passed it that way. Might be stuck with somebody somebody. Did it stop somewhere? Maybe we didn't have enough. Everyone has it? Great. So this is again working off the option B that was originally presented by staff. We have worked with legal, and while I respect the legal department's advice on this, I believe we need to comply with the charter and that requires us to remove members who are ineligible, so I and those people in my

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quorum have decided to move forward with a removal process. We have two versions that we are working with for the removal process. What you have before you is a new version that includes the auditor rather than the ethics review commissioner. This would have the auditor providing a recommendation based on evidence and the radio criteria as to whether the nominee is a layperson connected directly or indirectly to land development and real estate. And whether their appointment in any case would exceed the one-third threshold. The city auditor's recommendation would be provided to us two weeks in advance of the vote on the nomination so one of the challenges we've been having is that these nominations come a day before council and nobody in the public is able to review and to help us to understand if somebody is in violation or not. We are talking with the city auditor. She is currently out of town I think at a conference, so we have some further questions that we want to address with the city auditor on how this would work. But -- which is why I haven't yet posted it, but hoping that we will resolve those issues. We still need to have the conversation if folks want to have that with the auditor. And then in terms of the removal process we understand that for our current folks who are on there,

several of them were appointed on the same day, which created a problem for a last in, first out basis. So what we have put in here is that they would automatically be removed on the last in, first out basis in circumstances where multiple ineligible commissioners have the same appointment date, then those commissioners will draw lots until we reach the one-third threshold. And again, this wouldn't happen until after June 1st. And a complaint would need to be filed in that case for this removal where we are currently. So that is what we are proposing right now. It is a little bit fluid

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because I haven't yet personally spoken to the auditor, my staff has, and want to address some things there. And one last thing I would also ask if other folks are going to be making amendments or proposing alternatives that please make sure that we are posting these on the message board and not only handing them out on the dais to the extent possible. There are a lot of people in the community who are interested in this item and trying to understand the various iterations and maybe coming to speak. I think it would be really helpful for us on these nuances to be able to review the material some somewhat in advance of just getting this item come up. >> Mayor Adler: Councilmember Flannigan hasn't had a chance to speak yet so I'll recognize you next. >> I think it's important to remember that there is not consensus on this council about this situation. It might be true that several councilmembers think one thing, but it would also be true that several councilmembers think another thing. There has not been a ruling by anybody, not us, not the county attorney, not anyone that the planning commission is in violation. Part of this exercise in this deliberative body interpreting the charter is what all legislative bodies do in interpreting their documents. There doesn't seem to be anything unusual about providing clarity, about what one sentence in the charter means. It seems to be a pretty common activity for a body such as ours. But I also think it's not -- it's not -- I disagree with the notion that staff has said that we have the authority, but not the process. I don't think that's what I'm hearing staff say. And if we're going to struggle to interpret this sentence, the lay member sentence, then how can we then do an interpretation of the charter's definition of

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a two-year term. So if we're going to interpret the charter we should be willing to do that because I think that's an appropriate role for the council. But if we're not we can neither interpret the part about two year terms just as much as we couldn't interpret the part about lay members on the council. And I also just want to say to planning commissioners who are listening, you guys are doing a really hard job right now and I don't want any planning commissioner, no matter your perspective on this debate or your perspective on the things you are deliberating are, to take this as a denigration of your hard work and all of the volunteer time that you are putting in to a very important process for this city. We all have this as a job. We have staff who get paid to do this, but the planning commissioners do not. And I for one want to continue to support the folks we have all selected and approved to put on this commission even as we might further interpret our governing document. >> Mayor Adler: So I would

have to think about the proposal that you make because I think there's an interesting element and I haven't thought about it this way given the context of the discussions we've been having. The council makes an interpretation of what the charter language is every time we make appointments, but as a practical matter we haven't done that in a way that probably is as holistic and as directed as it should because we're making appointments to the committee not all at the same time. So your point that our fundamental process problem here is a process problem resonates with me. The problem to make sure that the body of a people have the characteristics we want is to appoint the body at the same time. And then there's a context for the information about any individual person or the group collectively. What's different about what you're proposing is you're saying let's not try to come up with a definition now or a reinterpretation now of

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what the language means in the charter. But you're saying let the council do that as a practical matter when it appoints the panel themselves. And then the council could consider whatever nuances exist on any one person as part of that overall debate. That is a different approach than what we have been talking about before. And I want to think about that because hearing it now for the first time, there's some sense that that makes to me because in the context of everyone coming with their individual nominations, but deciding them all at the same time would enable the council to have that conversation. And it actually makes sense at some approximate level -- at some level because any council at any time can change it because it's a resolution. It's not a charter. Any time this council gets together, this council, future councils, are all going to be making that determination when they make appointments. And so I appreciate you bringing a different way of taking a look at this. I am anxious to see what you post on the bulletin board in terms of language, but I certainly appreciate you coming with a different way to handle this situation. Councilmember kitchen and then councilmember pool. >> Kitchen: And I would also -- I would also say too that, you know, the other thing to think about, and I agree with what you're saying, the other thing to do is to take it a step further. Even if we were to adopt a definition, I'll call it a definition for lack of a better word, in one of our options, we still have to interpret that. Maybe it's -- maybe it's the downside of being a lawyer. There are very, very few words that don't have some interpretation to them. And so if we adopt option ABC or D as a definition, we're still going to be interpreting what that means

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when we apply it to an individual circumstance. So I just think that -- I think we're better off -- that's why and for all the other reasons that you mentioned and others have said, that's why I think we're better not going down that road. And fix our process, which is really what I think we need to work on. >> Mayor Adler: Councilmember pool and then councilmember Casar. >> Pool: I wanted to let you know about the two changes made to the charter review commission that will be coming to us. Remember I was talking earlier about how more than R. Important it is for us to look at the housekeeping language

on this item so we ensure it gets on the ballot. So the one change that you've heard about already is the insertion of the words "Up to" in front of the words "Two years" so there's not a perceived property right, which is kind of my term, but it kind of expresses the difficulty we have with the two-year piece. So it's not a certainty that anybody would have a two year appointment. They could have up to a two-year appointment. So that's important. But the other piece that I think may not be as well understood or known is that I believe that the changes that are coming would also recommend that the appointments be staggered to coincide with the terms of the appointing councilmember. So we should never have a time hopefully never have a time where the entire planning commission is replaced -- removed and replaced or resigns and is replaced all at the same time. It could happen, but we would -- but those appointments still would be adjusted like all the other -- so many of the other commissions and probably all the other commissions do kind of relate to the appointing councilmember. I think that may have been one of the changes that was part of the task force on boards and commissions that happened with the last council looking forward to this council. And periodically we find elements of it that either weren't excavated or weren't addressed at the time and of course this planning commission piece is one that we're looking at as well.

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So up to two years and staggering commissioner appointments to coincide with the appointing city council members' term as well. Does that help in some of the things that you were concerned about? >> Mayor Adler: It does. I need to think through that. Take it to its logical conclusion in that if someone is in a cycle where all of the available spots are -- in my cycle, I can appoint anybody I want to regardless of their background. Then I would have that ability to be able to do that. Somebody who was then appointing on the off cycle, those spots may already all be taken. So they might be limited if what they do. Then it comes back to me again and it would be open to anybody and then back when it gets to their cycle again they would be precluded. So I don't know whether that's an issue or a concern. I just need to think through it. >> Pool: I completely agree. There's all kinds of permutations. You, however, are on a cycle. Your four-year term is on the cycle with five other councilmembers and then the other five are on the alternating two years. So everybody has the stagger as far as the election cycle. The other permutation that you're talking about exist, they exist with our animal services commission, other commissions, and we manage to make those hard decisions and appoint really good people even when there are professional credential limitations or expectations baked into those commission assignments. So I just really am optimistic that we can get there although I agree that we can probably parse the argument until the end of the year and not take any action. And I really think we need is looking for us to take some concrete action on this. >> Mayor Adler: And I was thinking out loud on that. I wasn't expressing an opinion. Just trying to identify issues. I think Mr. Casar next and then Mr. Renteria. >> Casar: So I also want to start my comments by

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expressing appreciation for the hard work that everybody does on this commission. We've been talking about them for several meetings and I want them to know that I think we're working on the structure of how we make these decisions. And -- but that should not -- I think as councilmember Flannigan said, that should not denigrate the hard volunteer work that people put into being planning commissioners. My comments now, I'll take a look at the new amendments and drafts passed out by councilmember alter and look forward to councilmember kitchen's, but my comments, I'll keep broad for now until we get all the specifics of everyone's amendments, which is that I think that there is a lot of interpretation that we have to do. And that we should allow ourselves to do. This is a very broad language in the charter. I haven't had to interpret it very much on either of my two planning commissioners because my two planning commissioners have been an immigration attorney and a grant writer. So generally I have not had to look so deeply into that language. But if you -- but I want to raise for the community where those -- where the gray area is. There is a lot -- I think there is a lot of gray area and I'll use my zap commissioner as an example because this doesn't apply to her because she's not a planning commissioner. But she has a real estate license and her job is based on having a real estate license, but she places people in homes for Echo, for our ending community homeless organization, who are in need of homes, and utilizes her real estate license to do that. I can't imagine that the charter is trying to keep someone like her from serving on the planning commission in order to prevent some sort of conflict. So I want to allow the sort of discretion and flexibility for me to be able to say that I don't think that when we are saying we're trying to keep people who are -- who have some sort of profit motive

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potentially on the planning commission from the ability to serve. And I think -- but at the same time if my colleagues do think that the five or six percent of the time that maybe she helps a family or friend with their own home sale or home purchase because they know that she knows something about that, if that's enough, then I guess I'm open or interested in people being able to have that disagreement. But I just think that -- and I've asked for her permission in order to use this as an example of how it's more complicated. And so I think that that is part of why we're struggling through this because we need to be able to make judgments especially when there's just such broad -- such broad language about what direct or indirect connection to real estate is. I think we've even seen that in sections here about how much people might be able to earn from rent or from owning a home. We are all connected to real estate to some extent and how is connected is someone to be too connected to reach this threshold? >> Mr. Renteria. >> Renteria: Thank you, mayor. And I feel the same way. You know, when this law 24 years ago, this charter amendment happened, it was a different time here in Austin. It was seven members at large, most were elected, downtown or west of Austin. We were only allowed two minorities, one brown, one black. And you have to have been connected to the real estate in order to get their support and their funding. You needed over \$100,000 to just run and there was no guarantee that you were going to win. So most people didn't even -- layperson couldn't run for city council because they were going to get defeated. You know, and the frustration of the citizens here in Austin showed during that time, you know, but we're now a 10-1 district and you're trying to say by

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doing this that you're taking our right-of-way to select the person that we think whether they have a real estate license, they're an architect or what, if they're the best for your community and for your district you should be allowed to nominate someone and appoint someone. I have a lot of friends that are in real estate, you know, and they're some of the best people. My past campaign treasurer was in real estate, is in real estate. She's one of the best realtors there is. And she's always helping out my community. She makes sure that they get a fair deal, it gets done right, and they do not get taken advantage of by predator realtors that are out there. And if someone would tell me that she wouldn't be qualified to be on the planning commission, I would laugh at their face because that's -- she has integrity and she's out there to help people, not take advantage of them. >> Mayor Adler: Anything else before we move on? Councilmember alter? >> Alter: Thank you. I want to emphasize that all of these individuals that we're bringing up as examples are allowed to serve on the planning commission. The voters, whether we agree or disagree, passed a charter requirement and the language seems to not make a distinction between non-profit or for-profit. And it is our duty to uphold the charter. All of these people are eligible to serve. It's the number of them in combination that is the problem, not any particular individual. So there is room for all of them to serve, it's a question of who collectively is on the planning commission and what that makeup is. And I want to just remind my colleagues again that this requirement of the numbers was what was changing, not the issue about whether it was a layperson that was directly or indirectly connected to real estate and land development. That comes back to I believe 1973. It was a purposeful switch when they voted in 1994 to

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switch from being less than a majority at that time four people could be lay people out of nine to a thing of two-thirds based on the number who are on it. So it was the number that switched in 1994, not this question of whether it's a layperson. That has been there since 1973. And so we do have an obligation to the charter. We don't get to decide whether we like it or not. That is what the charter says. >> Mayor Adler: Okay. Anybody else before we move on? Okay. Let's move on. Next item, Mr. Flannigan, you pulled 47? >> Flannigan: Thank you. So I want to thank councilmember alter for working hard on this resolution about what happens to the firearms from the police department. And the only change that I had was substantive allowing the department to still sell those firearms, but only to another law enforcement agency and only if the sale of that comes with a contract provision that prevents those weapons that come from Austin to then be sold to the public. So we're trying to still allow firearms that were procured for law enforcement to stay in law enforcement, which I think -- law enforcement agencies are going to buy guns anyway and they could buy our guns or they could buy guns from a manufacturer. So I think to the extent that it's even possible, there may be rules around law enforcement agencies that have to buy all their guns new or whatever that is, but for it being allowed, this is really the only amendment that I'm making. >> Mayor Adler: Okay. Councilmember alter? >> Alter: Councilmember Flannigan, can you explain a little bit more about the impetus for this amendment? I'm trying to understand what you're trying to accomplish with it?

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>> Flannigan: So it's -- I don't know that it's more complicated than I laid it out, but right now the department can sell its guns I think to the public, and in all cases we're eliminating that. And what I'm saying is instead of just destroying all of the weapons that we've purchased that we could allow those to be sold to other law enforcement agencies on the condition that they then not be resold to the public. I don't know that it's more complicated than that. >> Alter: Okay. So I have some reservations on that. So -- it might be helpful to go back to the impetus for the resolution in the first place. So back in I think it was December when I sponsored a resolution to update our gun advocacy program to include things like being against bump stocks and to address a loophole with respect to domestic violence, at the same time there was some reporting by the Texas standard on police departments across the country and particularly in Texas that were taking their firearms and turning them in over to the -- to the gun dealers in order to exchange them to get new guns. And we discovered in the process that this was a practice that APD had been doing or had done at least in one occasion with a contract that was signed in 2016 with a very small fine print little note that they were going to be allowed to do that, buried in the material that was shared with council at the time. And the concern that drove this resolution was one that and the resolution was one that we did not want or police department is to be distributing guns out into the community that would be guns that could be turned to be used on our police officers or on our community, and that that was a process that we did not feel fit with our values,

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and it was contributing to having more guns on the street. And it was one of the few ways that we, as a city, in an environment of Texas, were able to have some control over the amount of guns on the street. My concern over your amendment, and I have passed out something from the public safety commission which might be a slightly different version of that, my concern is that we have no control, even, even if we have a contractual arranged over any particular town in Texas that buys those guns, actually destroys the gun after they use them or not. We have no mechanism to audit them, we have no follow-up mechanism to make sure that they don't just take our guns and turn them right over to the gun dealers and they're all on the street and they have abd stamped on them and they could be used on officers or the community. So I am concerned about that. Also, if our guns are usable and in great condition, we shouldn't be selling them to other police departments, we should be continuing to use them. One of the things that we learned in the process of this is that the practice of buying guns for our police officers is, in one sense, relatively new, I think it started up again in 2012, they bought new guns in 2012 for all of the officers, and then in 2016, they decided to switch them out to go from 40 caliber to 9-millimeter, to go back in 2016. This practice of -- the practice before that was that the officers would buy their own guns. That started sometime in the '90s, in there. And so we don't have a lot of data on this process, moving back. We do, however, have an audit that showed that our own department was

deficient in its ability to dispose of its guns that were contraband. We have taken steps through our auditing process to get that under control, but I do not

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believe that we have any kind of control over an ISD out west or out east or anywhere else, or a small town that doesn't have the kinds of controls and auditor setups that we have. So I'd be very uncomfortable with that amendment. One amendment that we could make would be what the public safety commission has proposed, which is adding a little line that says "Or certified police who are employed by the city at the time the firearms are rendered obsolete." So I think there may be folks certified in some way as police who serve within the city of Austin in some capacity maybe over at the airport, that are not technically within A.P.D. That might be able to use those guns. But I would be very uncomfortable with your amendment. >> Mayor Adler: Further discussion? Mr. Flannigan? >> Flannigan: I'm going to check with some of the A.P.D. Staff because it may not even really be a thing, but it was something that I was considering, that I would rather have law enforcement departments not buying from manufacturers if it can be helped. I have less concern over trusting other governmental entities, but I'll do a little bit more research on that. And it may be less of a thing than I'm thinking it is. >> Mayor Adler: So Ms. Houston? >> Houston: So mayor, if anyone from the police department is here, I'm not sure how they dispose of their guns at this point. Does anybody know that? Do we burn them? Do we sell them? What do we do? >> Mayor Adler: Is the police department here to speak to this issue?

[10:03:58 AM]

>> Good morning. Lieutenant Rogers, I'm assigned to the training academy. Currently, council, only one other time have we traded in firearms as a cost savings for the purchase of new firearms. Other than that, the firearms are stored and held in our -- in our training academy, in our armory. As an officer retires, they've been able to purchase a firearm upon retirement as state law allows. Other than -- any firearms that we seize, we currently have over 10,000 firearms in a warehouse waiting to be destroyed. So we don't sell, we don't trade any seized or turned-in firearms, those are all destroyed. >> Houston: So if you have 10,000 firearms waiting to be destroyed, the question is, how do you destroy them? >> We contract with a company to recycle the material. >> Houston: Not the firearm, but just to break the firearm apart. Is -- >> Yes, ma'am. >> Houston: Okay. >> They break the firearm apart, and then that metal is used as recycling material. >> Houston: Okay. Thank you. >> Mayor Adler: Did I understand correctly, councilmember alter said that she was aware of this happening only one time with Austin where we had traded in firearms. Is it true that it's only happened one? One time? >> Yes, sir, that's correct. >> Mayor Adler: If you're going to follow up is to other law enforcement agencies and entities to get information, to let us know whether that's a thing or not, that would be helpful. Generally, I think coming down, absent another reason, when you're checking on that, my understanding is that some other entities in Austin, like the Austin independent school district, has probably done this many more times than the city of Austin has. And you might want to check and see if -- if we could, by doing

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something ourselves, limit the number of times that that sister entity might be having to or engaging in this practice. I don't know that, but that might be something that's worth checking up. That's what I was told. Councilmember pool. >> Pool: Okay. So I think the strength of this resolution from councilmember alter is that we are keeping control over those firearms, where they are picked apart or melted down or recycled. We're not passing the guns along to another entity outside of our control. It doesn't matter if it's the constable's office or aid or Buda police department. The point here is for Austin to take responsibility for what happens to the firearms that are in our possession. I imagine some of the 10,000 guns that are being stored are possibly evidence in crimes, and so they're waiting to be used in a trial or something. But I am not -- I would not support any dilution of this language that would open the door to us passing along usable firearms to another entity over which we have no authority or control, and if those guns ended up, as councilmember alter said, in some other hands, after being traded up and down the line, which we know does happen, anecdotally, then that would look really bad for us to have opened the door for that to happen. >> Mayor Adler: Mayor pro tem. Then Ms. Kitchen. >> Tovo: I had a couple questions for our police. Could you explain how -- how the public safety commission defines defined certified police? Were they thinking about the individuals councilmember alter was describing who might be police at one of our on other facilities? I would assume our police at the airport are still A.P.D.

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I mean they are A.P.D., so I assume they're already covered by the language in the current resolution, without having to add "Certified police." >> I can only assume that they meant someone outside of the city of Austin. All of the police officers in the city of Austin work for the Austin police department. We combine the airport, park police, everything's been combined. So it would be sales to other agencies, other law enforcement agencies within Texas. >> Tovo: Like sheriffs, I guess -- >> Sheriffs -- >> Tovo: Aisd police, things of that -- >> Smaller agencies. I believe so. >> Alter: May I just clarify, because I got an email -- I got a text -- I got a text from my public safety commissioner that the change was to add arson investigators to buy A.P.D. Guns. It was a very narrow scenario. So I have the clarification. >> Tovo: Thanks. So arson investigators would probably be -- an interest in adding, expanding about, probably calling arson investigators would be better than "Certified police," which seems to be broader. My question in looking back -- one of my questions I've been wondering about is whether -- well, let me back up. So one of the resolutions cited in this resolution is 20130228035, which had asked -- it was a resolution I had brought, and as part of it, it directed the city manager to provide us with information about gun-related violence in the city of Austin and the source of guns that are used in crimes within the city of Austin. And I was just looking over the report that we got back, which was very interesting, and I'll be glad to share it with my councilmember -- with my council colleagues if they're interested. It was

dated -- it was a memo dated may 30th, 2013, and was a report on the analysis of gun violence, but it didn't answer the question about the sources of

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guns used in crimes within the city of Austin. And I noticed that the public safety recommendation also picks up that particular point and makes the statement, there's no process for tracking whether guns sold by the Austin police department are subsequently used in a violent crime. So I'm just wondering if the police department -- if there's a reason why that information was missing from the report after it had been directed, if there's -- if you're just not tracking that information about the sources of guns used in crimes here in the city of Austin. There was no explanation that I found yet about why that information wasn't reported back in response to my earlier resolution. >> Nationwide, there's not a system in place for tracking firearms. It just specifically requires communication between ATF and the agency, to actually make phone calls and backtrack where each individual firearm that may have been seized as part of a crime came from and whose hands it went through. It's just a matter of digging through in old-fashioned detective work. There's not a database that exists to track each and every firearm of that magnitude. >> Tovo: Is that something that the city of Austin could do, could take the lead on or institute for the city of Austin at least that we're attempting to get information along those lines, absent a national cooperation on that front? >> I'm assistant city manager. It's something we can certainly look into. I know that as people buy firearms, they certainly have to -- or are required to register them here in a registry, but whether or not that database goes back so that you can track whether or not a firearm that was sold by A.P.D. Ten years ago might have ended up somewhere. I think that's the challenge. But let us take a look at that -- what you suggest. >> Tovo: Thanks. I'd be interested in knowing more about that. >> Mayor Adler: Mr. Casar? >> Casar: And I'd be interested. I'm not sure if -- sounds like the conversation may not be fully tied up, but for me to fully

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understand whether we're required by state law to whether not just sell old firearms, but for us to be a firearms shop for retired police, or whether or not that's a practice that we can decide, whether or not we want to continue as well. I only recently -- very recently became aware of this one-time sale of firearms to manufacturers, but today I'm becoming -- with this presentation, becoming aware that we're also selling guns outside of contracts, just directly to individuals, so I would be interested in understanding if there's decision points on that, or if that is already dictated by state law. >> Mayor Adler: Thank you. Let's move on to the next item. Thank you very much. The next item pulled, item number 56, I don't intend for us to talk about this on for a long time, I was just noting I was really confused about this at the last meeting and I come into this meeting really confused. I'm not sure what it is we're trying to solve for in this. Councilmember pool. >> Pool: Maybe I can help. Back in 2015 -- and I had to get reminded about the actions that we took because it was three years ago -- back in 2015, I led a resolution to create a joint sustainability committee, and it listed these various appointments from

these eleven different citizen commissions. It also assigned, in the interest of balance, according to the resolution, the open space and environment and sustainability committee to appoint three citizens in order to even out the numbers, should we deem that necessary. And so we did. And one of the appointees was from district 1, Mr. Meyer. Jim walker was also put on that because of work he did for UT with sustainability. I'm coming up short on the name of the third person. So what happened then was we did

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away with the open space committee. But the code still had that committee named in this authorizing ordinance, and so our staff came back and said, we need to find another committee to take over that appointment responsibility. And audit and finance was chosen because audit and finance has jurisdiction over the city clerk, who has jurisdiction over boards and commissions. >> Mayor Adler: So the intent, when you say balance, is that -- >> Pool: That was the word that was in the ordinance. Balance was not necessarily defined, but since it was assigned to open space committee, the idea, in my mind when I was writing the language that went through law and that we approved, was that we would make sure that we had people who were engaged in environmental work, who understood sustainability and open space, green space parkland, the need to have those elements in our community. >> Mayor Adler: So to be clear then, the intent is, on this committee that's made up of different people from different -- different commissions, that the voice of the environmental community was not there. The body that was responsible for giving the membership on environmental issues is no longer here, so the intent is to have the audit and finance but that environmental voice onto this group, or to make nominations to the council for the council to be able to add the environmental voice onto that body. >> Pool: I think that's a fair assessment of this. I am working with staff on a process to accomplish the different things that I heard around the dais last week about input from the other council committees so that we can get nominations. The process would still go through the audit and finance

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committee to make the judgment call on which of the three would best round out, and I think design commission has been added so there would be 12 commissions represented, plus 3, it was 15, and then it would come to council for approval just like we do for all of our nominations. The difference between when this came to us the first time and when it will come to us on Thursday is that staff is crafting a process to include the council committees to request and solicit their input on who they think would be good to consider. >> Mayor Adler: And are they also defining the balance or diversity to pinpoint that it's looking for the environmental voice? >> Pool: Taking lessons from what we're dealing with on the planning commission conversation, yes. >> Mayor Adler: Okay. Further discussion on this issue? Councilmember kitchen. >> Kitchen: I just wanted to say that I appreciate all the work that's being done. I think that the -- that the version that -- I think it's councilmember Flannigan passed out, might make it a simpler process because it just has the council committees directly nominating. And not having to go

through the audit and finance committee, which I think may not be necessary. It all has to come to the council at the end of the day, anyway. So -- >> Mayor Adler: Mr. Flannigan, do you want to talk about your amendment? >> Flannigan: Yes. So that was essentially it, just trying to streamline it. It didn't make sense to have audit and finance if the intent is an analysis of an appointment's connection to a topic, not an adjudication of the committee process. So if we were interpreting the clerk's work, then audit and finance might make sense, but we're not. What we're saying is we want to find people who have certain perspectives on certain issues, so that more naturally goes to the committee structure. If the intent is that all three of these people, which actually I think the original said up to three, which is also a weird thing, but if the intent is that

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they all three be environmental, then maybe it shouldn't even be the council committee, maybe the environmental commission should make those, and it shouldn't be a council committee thing, or we go back to the original intention and strip out these three and let it be a committee of committees like it was originally created. The multiple layers -- just to run it through audit and finance -- doesn't seem to make a lot of sense. I'm open to a number of things. This was my proposal, if we wanted still council committees to make some appointments, but we can also just not have the three extra and just go back to the original intent. >> Mayor Adler: And by the question I was asking, I wasn't expressing any reference or desire for any particular kind of diversity, I just was really confused last time because I didn't know what the intent of the maker of the resolution was. So I'm not sure where I would come down on any of the questions that you just asked. Any further discussion on this one? >> Pool: I'll be bringing the additional work that staff has been doing on Thursday and we'll see if we can get it distributed, maybe up on the message board and I'll take into consideration all of these things. I don't want to overthink this. >> Mayor Adler: Okay. Last pulled item, before we move on, loose pulled item -- Ms. Houston? I'm sorry, mayor pro tem? >> Tovo: I'm sorry. I thought that was the last. I misunderstood. >> Mayor Adler: I had Houston, item number 91. Then I intend to call the wall creek briefing. Ms. Houston? Special events, I pulled that, but then I pulled it off the pull. >> Casar: When I saw you pulled it, I had a quick -- >> Mayor Adler: That's fine. Let's do Ms. Hughes, then we'll talk about special Ed. Ms. Houston, you pulled item 91. >> Houston: Thank you, mayor. I looked back at the resolution that was adopted in February of this year, and one of the further be it resolved clauses says that the city manager is directed to identify options for the

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relocation of the downtown Austin community court. Must be located on or near transit line, within the geographical boundaries specified by city code section 2-1032a, including park, Duh, Duh, Duh. Is he what we had Thursday is the execution of a pretty expensive plan for the municipal court to be placed far away from the downtown area. And I want everybody to know that I support the municipal court moving. When the bond conversation was going on, when we talked about reinvestment in facilities and

assets, the downtown municipal court was number one on my priorities to be funded in that bond, if the bond is passed. But my confusion is, is that we got one option, and it says: Due to the urgency of the conditions -- and there are awesome urgencies there -- the city manager is directed to bring back the identified options, including the work plan and time estimates of completing each option. Again, we brought back one option that is kind of like twice the size of what the current space is in. I think the current space is about 35,000 square feet, and we are about to negotiate and execute an agreement for 96,000 square feet for ten years, around \$31 million over the life of that. This is supposed to be a temporary space, not a permanent space. So I guess my question to staff is, were there other -- this process seems so much different than the other processes we've gone through as we looked at lease space. Were there other options available that did not require as much space, and could they help me understand how we got to this point without looking at other

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options? >> Councilmember Houston, Alex kale, interim officer. We did look at other options, but I have Mary Jane that can help answer some questions is to why the space grew to the 96,000, compared to where we were at previously, at the previous -- >> Houston: No, I want to know what those other options were, not why you all chose this one. I want to know what the other options were. What other spaces did you look at that would not be, what I call, the taj Mahal of temporary space, but be -- let's get them out of that space into something that is usable understand utilitarian? >> I can speak to that. There were four spaces that we did show to the municipal court group. One was 2433 ridge point on district 1, that was about 63,000 square feet. Another one was in district 4, the 2201 Donnelly office zone. Then we looked at 61,000 square feet for the space for municipal court, and a fourth one was in district 6, off of research boulevard. So we looked at those four properties. You know, we did look at more properties initially. Those were the first four that were presented to municipal court, and we did three site visits out of those four. >> Houston: And so what was the price point on those four that you looked at? The 62,000, the 60 -- bless you -- the 62,000, the 60,000, and the other 60,000 square feet?

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>> So they were similar in price point. You know, the ridge point, together with operating expenses, 2250 a-square-foot. Innovation came out about 24.70 a square foot, and then research was about 33, with the operating expenses, a square foot. >> Houston: \$33 a square foot. So then the one that you're offering to us on Thursday is how much a square foot? >> It's 21.50 for the base rent, then an additional 5.49 a square foot for the operating did the. >> Houston: Can you tell me what the total is? >> The total was 26.99 a square foot, but then there's an increase, an annual increase for each of those each year. I'm sorry, 26.99 per square foot, for the first year. >> Houston: For the first year, and then there's an increase per year -- >> Correct. >> Houston: -- After that. >> Correct. >> Houston: The others didn't have that increase per year after that. >> No, all the other ones would have the same annual increases as well. >> Houston: Okay. So it's interesting to me that the 26.99, the research park is 33, in the same

area, is \$33 a square foot. Do you know what the difference would be between \$33 in research park, for 60,000 square feet, and -- >> Unfortunately, I don't -- >> Houston: And the 26.99? >> I could get you the difference between those. I don't know exactly what the difference -- why the difference is with those properties. >> Mayor Adler: Yes. Jimmy? >> Councilmember, if I can clarify, I think that \$33 is not research park, it's research park, it's the other end of town. >> Houston: Okay.

[10:26:11 AM]

Thank you. The north part of town. >> Yes. >> Houston: I got you. Innovations is in 4 and ridge point is in 1. Okay. So what was the process used, and who participated in making the decision to opt out for the taj Mahal of spaces for ten years, rather than something that would get the staff -- I've been there, I've seen it, they need to move, but into something that is not as pricy, but still has the things that they need. Who made those decisions? What staff what -- >> Working with municipal court, they were key in helping us decide which location they thought was the better location for the services. >> Houston: So only the municipal court, none of our staff that usually helps make those decisions, like when we did the highland mall center, there were multiple staff, a partnership of groups that came together to talk about what the -- what was needed, how much it would cost, what are the best options, but that kind of partnering didn't happen in this instance? >> I guess not to the extent that you're talking about. I think it was, you know, with a small group of the different department heads from real estate, from municipal court, on figuring out which -- which option was going to be the best option we move forward with. Being on the time frame that we had -- >> Houston: So explain to him that tight time frame. I understand that in this resolution, it says that this is an emergency. >> Uh-huh. >> Houston: And I think nobody on this council says that they don't need to move. But this is an extraordinary amount of money that we're going to -- about to pay someone. >> Uh-huh. >> Houston: And so -- >> So based on that resolution, it did have a deadline to come back to council by April 26th.

[10:28:13 AM]

Knowing that the conditions that municipal court was under, we wanted to find a solution and bring it back to you to give council the option to have us move forward with this lease. >> Houston: So, Ms. Grubb thank you for being here this morning. Could you explain why you all need 96,000 square feet rather than 60? >> An Mary Jane Grubb, municipal court. I want to go back to -- over the years, there's been many space studies performed, but there have been two recent ones. One was completed in 2016, and it took about two years to complete that. That was with ginsler. According to that study, our 2020 staff meeting, staff needs 101,000 square feet in one year. >> Houston: So hold on that. Because I thought we were talking about trying to not have the downtown court -- the municipal court, rather, centralized in one cloaks that we had talked about separating them, the north and south. So is that study only one report, for one location? >> This is for the downtown location. This is what this was anticipated to being. And then we also completed a study with Travis county in 2017, and by that study, the square footage needs for the year 2025 were a little over 107,000 square feet. So for both of these,

we're condensing this down to -- actually, we only need 84,000 square feet, but the space in the met center is 96. So we have condensed this significantly because this is a temporary location. We're almost 40,000 right now, with the lack of courtrooms, circulation space, and meeting space. And, again, the two studies, professional studies that were done, have us, you know, within the next year to five years in space over 100,000 square feet. Because this is a temporary home,

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but looking at seven to ten years, we did condense our square footage need down to 96 -- actually, 84, but the space available is 96, so we have a little bit extra space. >> Houston: City manager, I'm not comfortable with what you all are going to be presenting to us on -- on Thursday. I'm sure everybody did their due diligence, especially with the court staff. But my concern is also about this that was the developer, that had this up on their website, and my concern is that we will be lining a developer's pocket to the tune of almost \$31 million a year. Property taxes come from the same places that have been so disrespected in this thing. And so I'm having a real problem with being able to justify paying the developer that kind of money. And I know the apologies are out there and have been made personally and corporately. But to get this get past, we just had something like this happen in the city a year ago, and that person was immediately fired. That made big news all over the city. And for them not to know that this was going to be insensitive and being disrespectful to a whole population, to me, is just inexcusable. So I'm going to have a real problem paying them this kind of money from property tax dollars that come from the same people he disparaged. >> Mayor Adler: Thank you. Anything else? >> Flannigan: A couple clarifying points, the 30 million is over the life, not per year. That's probably a misstatement on that it's 30 million -- >> Houston: Over the ten years. >> Flannigan: Yes. Then Mary Jane, remind me, moving

[10:32:15 AM]

to the met center is also consolidating the prosecutor's -- weren't there a couple of other sites, not just the downtown facility now? >> It'll be the downtown location, the prosecutor's office, and the south substation. >> Flannigan: Okay. So there were a couple of other spaces beyond just the main court building that's being consolidated into this temporary facility? >> Correct. >> Flannigan: Okay. I will say, I share your frustration with the website and the marketing, and you know leveling my district to sameness is also not a great thing to do. I'm frustrated by -- by how that happened. I'm frustrated that it had been on the site for a while. It wasn't just up there. And I've seen people point to tweets from a year ago and even older, even old marketing materials. We have contracted with this facility a couple of times in the interim. I think the staff did a really spectacular job over a very short time frame to explore what the other options are, and as I have said in council meetings and I have said to the media, I don't think there's a perfect location to do this, but I think the urgency is the thing that still drives me on it. And I don't want to dismiss the concerns, councilmember Houston, because I share -- I share those concerns. I think we just end up in a different space at the end. >> Mayor Adler: Anything else on this --

>> Houston: Perhaps with the conversation that we're having, perhaps the developer could come back and try to adjust the money? That would be a way of saving some space and some grace on -- apologies really don't mean anything when you assault team like you have, and disrespect them that way, but if this is going to be lining their pockets, maybe we need to have another conversation on negotiating, because I think we posted to

[10:34:17 AM]

authorize -- execute, I think -- is it to execute? >> Flannigan: We authorized negotiation at the last council meeting so we're executing at this meeting. >> Houston: I would be willing to have that conversation to negotiate. >> Mayor Adler: Okay. Anything else on this one before we move on? Thank you. We have a lot of stuff here on 19. This is the last one we pull. This will be the special events item. Mr. Casar. >> Casar: I am just daylighting what I think I'll bring on Thursday, it's just my own review of the ordinance. We have included requirements in the ordinance that, for spontaneous events, people have to let the Austin police department know within four hours of a spontaneous event that happens because of recent news or current affairs or provide other notice that is reasonable under the circumstances. I have some concerns about including language like this because if it's vague, if we are vaguely saying you have to notify A.P.D. If you're going to have a spontaneous event, and it has to be reasonable, people aren't going to know what that means. That's up to interpretation, and I think when it comes to people's free speech and civil liberties, we should be extra careful to not have any language in our ordinances that might discourage someone from participating in that because they can't fully understand, and the city can't articulate what this would mean. So, obviously, this is not the main part of the conversation as it relates to our special events ordinance, but I just am always looking to make sure we err on the side of really making it clear that it's just our responsibility as a society to keep people safe when they're participating in free speech, and us regulating that is -- I think

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we want to give people as much space as possible. So I have highlighted in yellow where I would strike it, and then also in pencil, another place where I saw actually where we were just setting -- we just leave such a vague -- we just have such vague definitions of what -- if it's reasonably possible to let people know. >> Mayor Adler: Okay. Mayor pro tem, then councilmember Garza. >> Tovo: I think I want to ask one of our special events staff if they have any -- is there a middle ground here? I share the concern about -- I certainly don't want to limit people's free speech and their ability to have an event, but I assume that this is -- that this provision is here to provide some level of safety for those who are participating, and so I wonder if there's language that wouldn't be as prescriptive, but would still encourage those organizers to reach out to the police department, because it is really for their safety to have -- to have police notification. >> I'm assistant city attorney. I'm not exactly sure what portion councilmember Casar would like to strike. >> So councilmember, continuing better part of valor would be to have us take a look at it between now and Thursday and come back with it. >> Tovo: I'm

comfortable with that. >> Casar: To be clear, I would be comfortable with ways of encouraging people to make that contact if they so choose to do it. I am just concerned that, that ordinance, you could be breaking the law, and I don't want to create laws where people -- if that makes sense. >> Tovo: Yeah, I completely get it. Just removing any language about spontaneous events if people go there to look doesn't necessarily suggest that they call. So having some language in there that suggests people call might be a reasonable one, but it sounds like our legal team is going to look at options that would address your concern.

[10:38:19 AM]

>> Casar: That makes sense. >> Tovo: But still provide a trigger to people who are organizing. >> Casar: I would be open to encouragement without making it unlawful. >> Mayor Adler: I really think that is a legal question for them to kind of parse through some of that stuff for us. Do we have other things? >> Tovo: I do, I just wanted to signal that my staff has attended lots and lots of meetings over the four or so years, working on this ordinance, and I -- I will be bringing forward some amendments on Thursday that are -- that I think, with those amendments, are -- it sounds like there's a consensus among the stakeholders who have been in disagreement for so long, so I'll try to post those as soon as I can, on the message board, if they're ready prior to Thursday. If not, we'll distribute them first thing Thursday morning. >> Mayor Adler: Getting so many people involved in this, even if the amendments aren't ready yet, if you could just post the subject matter or just a general thing while you are working on the wording for people, I think that would be helpful, too. Councilmember Garza was next, then councilmember Flannigan. >> Garza: Is it still on this? Because mine is daylighting just two things I wanted to daylight for items. >> Mayor Adler: We're still on 19. Yes. >> Flannigan: I just want to thank councilmember Casar for bringing this up. You make a really good point. I think encouraging people to notify the police department and watching the language that it doesn't make it sound like you have to pay for a permit, that it's notice and maybe not permit that kind of thing would be important to do so we're really emphasizing the free -- free speech for folks that are trying to do this. >> Mayor Adler: Okay. Anyone else on this item number 19? Okay. Before we get to the -- thank you. Before we get to the briefings, does anybody have anything that they want to raise? Mayor pro tem, did you say you had something? You had other items. Councilmember Garza, you go next. >> Garza: The other item -- I tried to get these answered before today, but I'm not saying

[10:40:20 AM]

it's staff's fault -- I have had them answered, so it's item 30. It's a contract for office furniture, and my staff pointed out -- I have questions about what appears to be a rotating contract, as well as my staff pointed out that one of the vendors is known to be a very high end furniture vendor, and so I would just like to know why we would have a rotation, a very high end furniture vendor. And then with 92, if anyone has questions, this was the families not flippers resolution from last week. There were some very small changes that were made, they were actually councilmember Flannigan's suggestions, then we

did add one more be it resolved, that directs the city manager to consider adding to legislative agenda, asking to pass legislation for families to sell their homes. Because it was late, I didn't properly say that this -- it was being added as amended. So I just want to do clear it for everyone, why it's back in there, and the changes that are highlighted in the backup. >> Mayor Adler: Okay. Thank you. Mayor pro tem. >> Tovo: I just wanted to indicate that I would be asking on Thursday for a time certain for the smoot hill terrace local hill district and the time certain I'm going to request would be 6:30. That is item -- I think it's item 78. >> Mayor Adler: Our practice generally, rather than setting a time certain in the evenings like that, is to allow someone, for a they're here and we have the ability to be able to take testimony, to take testimony in the afternoon, but with the understanding that we're not going to deliberate or take a vote until after dinner. Is that okay?

[10:42:20 AM]

>> Tovo: Yes, that's fine with me. Those who would like to testify are primarily going to come after 6:30, which is the reason for my request so -- but yes, if anybody is here earlier and wants to talk, I'm completely comfortable with that happening. >> Mayor Adler: Okay. >> Tovo: But again, the time certain would be 6:30 for number 78. >> Mayor Adler: Okay. Councilmember pool. >> Pool: And I'm requesting a time certain for item 48 at 6:45, with the same allowances you just mentioned, mayor. >> Mayor Adler: And item 48 is -- >> Pool: Oh, it's the one about the three families who are in -- have sought sanctuary in churches in Austin, and it memorializes congress on this topic. >> Mayor Adler: Okay. Again, with the understanding if people are there in the afternoon and want to testify, they're going to be given ability to do that, but we won't deliberate on it or take a vote until after dinner. >> Pool: Right. 6:45. Thanks. >> Mayor Adler: Which for everybody's knowledge, doesn't necessarily mean 6:45, it just means -- >> Pool: Not before 6:45, right. >> Tovo: And just realistically, we will likely have -- there was a fair amount of testimony about the smoot hill terrace and will likely will be at council so for people to coming down -- I just want to signal we will have a fair number of people testifying about that item right before the -- >> Casar: And, mayor, we have the same issue related to the items for the Texas housing foundation, which is the purchase of -- or allowing a new authority in the city limits to take over the homes of councilmember Renteria and my district, so those folks

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all work late and can only come late, and many of them wanted to testify on the tenant protection items, which are item 50, 51, and 52, as well. So I think we have all of those issues that are really after-dinner testimony issues. >> Mayor Adler: Okay. >> Casar: I just happened to be the third guy -- >> Mayor Adler: No, no, no, no, it wasn't so much smiling at you as it is us, because this is how we program in, clearly with all these things happening, probably we know we're here after 10:00, potentially, and perhaps later when we bring things like this to be able to testify. And at some point, collectively, we look at each other when we go past 11 and 12 and we say we should never let this happen, and no one should be deliberating, and here we are setting that into motion. So -- and I -- I don't know what the

right answer is. I know we want to give people a chance to be able to talk. Some of these may be controversial, some of them may not be controversial. I know we want to hear from people, but at some point we have to balance letting everybody talk when everybody wants to talk with us making decisions or hearing testimony really late into the evening, and if we're starting first with the -- with the mayor pro tem's motion, that means that folks that work late and have children and families may end up sitting there 9:00, 10:00, 11:00, 12:00, north to be able to testify. In order to be able to testify. I don't know what the answers are. I'm just trying to identify what the issues are. I think I interrupted you, Mr. Casar. >> Casar: Exactly. That's why I bring that up, because potentially, what I could do is see -- we didn't pull those items, but if folks haven't had too many questions on those sorts

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of items, and if nobody has questions tomorrow and posts stuff on the message board, I might be able to see if some of those families -- this is a very significant change for them, extremely significant change for them -- that if they are supportive, which my understanding is, I think the negotiations with this housing authority have gone to the point where hopefully they are, that potential we could just get, you know, a small number of people in so that we can get some of these folks in and out, potentially before the other testimony on these issues. And so I don't want to decide that right now here at work session, but maybe that's just something that we can try to do to save ourselves some time. >> Mayor Adler: That might be helpful. We have items 78, 48, 50, 51, and 52. If people are in opposition to those elements, it might be nice to be able to daylight that. What happens, we get here on Thursday, groups have been told to come in the evening, even if it's not controversial and even if we could handle it sooner, we still call it for the evening because we've told people to come in the evening and we don't want to deny them the chance once we've done that. Yes, Mr. Renteria. >> Renteria: I think most of the people that are -- were going to come down here Thursday were in support of this transaction, and I -- if we could pass it on consent, I'm sure that they wouldn't be disappointed. >> Mayor Adler: That would be good. Maybe what we could do, if we hadn't gotten it on the bulletin board, maybe Thursday morning, when we're looking at our day, maybe we could -- we could -- actually, some of these things are called for time certain afterwards, so we really couldn't call them up to -- I guess we could, if we're talking about scheduling and timing during the day, not really so much to discuss the merits, but just to get a feel for where people are,

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so that people have a chance to be able to get out to the public, and so that the public might check back in mid-morning to see how the preliminary assessment of where we are on these items are, in case they want to not come or come during the day or the afternoon. Mayor pro tem. >> Tovo: I was going to suggest, we could also do that here right now, but I wanted to say about 51 and 52, those are resolutions I brought, tenant protection resolutions I brought forward. I've not heard any concerns from the public, and so I would anticipate there would be a lot of support. I'm also a co-sponsor and

councilmember Casar's number 50, so I envision there would be a lot of support for that, so if there are concerns among this body and -- you know, my guess is that it would be great to have people come and tell us they support them, but on the other hand, they may be waiting a long time on Thursday to do so. >> Mayor Adler: Yes, councilmember pool. >> Pool: When I put the sanctuary resolution on our agenda for this week, I knew that it would likely, hopefully, go unanimously. And so I don't expect that there is any controversy. I mean, it's the right thing to do. But the folks wanted to show us a short video, and I did ask that they limit their input from the podium to ten minutes because I recognize that we might likely have another long night. And I wanted to minimize the impact on everybody. And so it started at 20 minutes and I've asked them to keep it to 10. So I'm trying to both give them the voice that they're asking for, while balancing it on the fact that we don't actually have any controversy on the dais -- >> Mayor Adler: If that's the case, what about doing this what if we don't set so it we can consider it earlier than after dinner, so that if the council wants to consider it earlier, we can, and if we're ready to vote on it in the midday, we just

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agree we're going to table it for the purpose of letting that video be heard ten minutes' worth of testimony, because of that special circumstance, if we would then pull it off the table just for that purpose, and then we could take our vote. But that would enable us to let people talk as we would -- in an ordinary course of business, it's just that we will agree to table action till the evening so we can hear that one video. >> Pool: That's fine with me. I'll pass that back to the folks who wanted to come. >> Mayor Adler: Then let those people come and go. >> Pool: Maybe they can even get here earlier if they know we would really like that. >> Mayor Adler: That would be great. Ms. Houston? >> Houston: Mayor, I was distracting over there, but we were talking about 88 and 89. Is that the two properties that we are talking about, that there might be conversation? Councilmember Casar, what number were you talking about? >> Casar: I was talking about items, yes, 88 and 89. >> Houston: So I just want people to know that I think that's an excellent opportunity for us to, once again, try to keep housing that is income-accessible in our communities, in the places where they are now, so that people can continue to live in their communities. I wish we did more things like that so that we could ensure that housing affordability was maintained and not selling to developers. >> Mayor Adler: Okay. >> Casar: So mayor, I will see if we can achieve something on the -- those items in both councilmember Renteria and my districts, to see if we can achieve something similar to what councilmember pool has done to commence that, because I do thank -- for example, many of the people who are being -- who have -- have won concessions 20 stay in these buildings, they're on section 8 vouchers, we want

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people to have more access to section 8 vouchers, it's important. So I think we can have them testify on more of these items in a package format so it condenses the testimony but gives people a chance to come explain what they've done, because not all of the tenants were for this at the beginning of this

process, and I think they want to memorialize some of the agreements they've struck with the new owners. >> Mayor Adler: The agree to which we can consolidate and have people testify earlier during the day, I just feel horrible when we have folks come in that I know are working families and are going to be getting up earlier in the day, and I sit there watching the clock tick, it's not right. All right. So let's see how much self-policing we can do to help us get out earlier. If there's nothing else on this then we're going to call up the briefing on waller creek. Why don't you guys, whoever is doing that, come forward. >> Good morning, council, mayor pro tem and council, I'm Greg Canally with finance. Today I'm joined by Sarah Hensley, interim city manager, and also with period of time Mullen, the CEO of the Waller Creek Conservancy. I'm also pleased to have members of the Waller Creek Conservancy board as we continue discussing the partnership we've had with them, dating back five or six years. So here today we're walking through a proposed amendment to the existing tax increment reinvestment zone for Waller Creek. This is consistent with council direction from the September 28th resolution to come back and work on doing an expansion of the expansion of the TIF to look at the improvements and creek-side improvements along

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Waller Creek. I will remind the council that we provided an extensive briefing at the February 27th work session, and for the audience, that briefing is up there, and walk through a lot of the -- kind of the framework for how we would think this would play out. So instead of repeating that, I just want to do put it up here for reference point. Quickly today, we're going to go -- just touch one slide on the history, walk through the plan, Peter and Sarah are going to talk about about all the planning efforts. Then I'm going to provide you very much a high level overview of the tax increment reinvestment zone, the amendment to this zone, and talk to about you the calendar. The reason this is going to be high level is that we, on Friday, we will be posting a bunch of agenda items relating to this action item, which will have all the backup information in the reports and we'll be able to talk about that once all those items get posted. But we thought it would be valuable to give a high level briefing of it today in advance of that information being posted. So quickly, again, this is a history slide. The tax increment reinvestment zone was created in 2008, with 2007 as a base year. Both the city of Austin and Travis County participated in the TIF, and this was for a flood control project for the tunnel that is now operational. The city was at 100%, the county was at 50%. What's key on this slide is that the debt that was issued for the tunnel expires in fiscal year '20 41, and so we are using that date as a reference point to look at new debt issuances around the surface improvements, around the parks and the creek. With that, I'll turn it over to Sarah and Peter and let them walk through just a quick reminder on what we are on planning on these creek improvements. >> Mayor and council, I'm not going to read this to you. You've seen this slide before. It gives you a little bit of historical perspective is to the planning that has taken place with Waller Creek, starting in 1975 and going all the way to current. These are all documents that

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certainly we can provide, should you desire. But they're there to show you that we have spent an enormous amount of time planning and looking and reviewing and going over the area and the needs, everything from issues related to water and flooding to park issues and improvements that are needed. Peter is going to talk to you a little bit the background of the conservancy. >> Sure. So we were formed in 2010 -- I'm sorry. Go to the next slide. The conservancy was formed in 2010 at a 501t3, the specific purpose and mission of which was to partner with the city of Austin to create this -- to create and implement a revision for revitalizing waller creek and parks. It is very much a partnership with the city. We work with city staff every day on all the details of this very complex project. We see ourselves really as the city's agent. We are here to help the city implement a project for the city. That is our role. And our role is long-term. We're both here to help design, plan, construct the parks, and open space network, but also to have a role in maintenance and operations, long-term so that this is something that can be sustained. I will say another vital part of our mission is about community engagement. We know that the ways this project will be truly successful is if the entire community is engaged, and so that is increasingly an important, vital part of our mission. The project itself, I think most of you are familiar with. It has a number of different layers, which is part of what makes it complex, but

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also I think so impact full. At the core of it, there is really the restoration of the ecology of the creek, and creating a place of nature that is sustainable and crucial to a sustainable urban fabric, and getting people, the public, the opportunity to engage in that natural environment, so improvements to water quality and stormwater management, creek stabilization, the area -- you know, waller creek has been a place where the creek has been eroded significantly, so a big part of the project its really about that infrastructure. The park -- the project also has a mobility function that will be continues hike and bike trail along the creek connecting north and south, and including actually a new pedestrian bridge across the lake, so that that pedestrian network can be extended to the south. So there's an important mobility function here. And then the parks themselves, each of which has its own character and will serve the public, a very diverse public in diverse ways and that's important aspect of this is this is a project that is located downtown, but it is really for the entire city and a place for the entire -- where the entire city can come together. >> Waller creek is an investment in our city, not just in this specific area, but across the city. It has a ripple effect and we shared with you in our previous presentation that this is not unique either to the city of Austin. That there are these kinds of partnerships across the country. But it's an opportunity to look at investment in our downtown, to look at how we -- the central business district and how it has grown. You can see there 265% versus 369% for the growth of the city, a 300 growth in this area of the city alone and the overall tax base has doubled to over \$12 billion. Dr. John Crompton who is

[11:00:30 AM]

president emeritus from Texas A&M parks and creation is well-known for his studies in regards to the proximate principle which talks about the value increase in properties in close proximity to parks. And there's even some study into waterways as well and trails, the close proximity to those areas. In this situation the work that was conducted, this is a perfect example of the proximate principle and the fact it has a rippling effect to the assessments made in this Andy how it spurs and has the ripple effect of increased opportunities through that area. So it does things such as increase half a mile proximity, even further in some cases. For instance if it's a trailer waterway that continues to go along, faster development. Opportunities, the development community and others do see this as an opportunity to recreate. And then the denser openology of development and the different types that can occur. Topology. This is truly an opportunity to see parks, and it's special for me because I've always felt like parks are investments and not just costs. That does have improve not only the quality of life, but improves the quality life from a development standpoint as well. >> Just to add to that, you look at the denser topology, the literature shows as these parks get built and certainly downtown Austin we already have -- we have multi-family and in downtown, but he will see that denser type of topology going from one bedrooms to two bedrooms to three bedrooms and allow families to be downtown. The literature certainly shows that. Interesting, on Sunday as I was noodling through this powerpoint, flipping through the TV, there was a show on pbs that was neat about 10 city parks that changed America. And kind of neat parks all around the country. A great one in Seattle, this old gas works that they

[11:02:33 AM]

saved. Certainly fairmont park, Philadelphia, certainly what they did there, the high line. Key to what I watched is they were all driven from a community perspective, originally from a community vision to save or preserve or enhance what we have. And I think this work that I think that Peter and Sarah just went over I think is really indicative of that work that we've had here in Austin over all of these years. So it was interesting timing as I was working on the powerpoint to see that. So quickly I wanted to go over the amendment process for what we have. Again, we will be -- the process in front of you will be to execute an amendment. This will be amendment no. 2 to the tax increment financing zone. There are two parts. The first is extend the duration of the zone. As we mentioned it's in 2028 out to 2041, which is when the term on the existing tunnel exists. Add to waller creek the parks to the project plan. As projects designated in the project plan and then update the financing plan to fund the parks as well as the stream and trail improvements. We showed you this slide back in February. We've added some elements to explain it further. The overall project plan estimate is at \$355 million and it splits into two components, capital costs of 245 million, which will be funded from private donation donations, as well as a public investment. And what is key here is the maintenance costs are estimated at \$110 million over its life and that is to be done by private donations and participation. So you can see when we bring those two together the participation levels, the private participation out weighs the public investment by about 1.3 to 1. I know on this chart here it's showing you how the private fund -- the private fund-raising of 203 million will be split for both the capital and again for the o&m and on the o&m side for operations and maintenance

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of the park will be from donation R. Donations, earned events in parks and property owners. I think D Perkins here from daa, waller creek conservancy and daa have come to a memorandum of understanding about getting the property owners adjacent to these new parks to be built as part of their assessment they would be contributing to the operations of that. I think that was a clear intent as we talked to council over the last year about this effort. On the public side there are some existing funds that have already been programmed that date back earlier. Most of these are drainage cip funds. And some of them are -- about \$13 million in 2012 bonds that have been mostly spent mainly for creek work and some parks work. And then again the new debt for the \$110 million. >> Houston: Excuse me, mayor. Mr. Canally, you've slipped back into the acronym world. So I'm not sure everybody knows what daa is and -- >> Sure. So certainly -- >> Houston: I do, but if you would say downtown Austin alliance from now on. >> Yes. So downtown Austin alliance is the agency that runs the downtown public improvement district. They've been a good partner with the city obviously as well as waller creek conservancy. So both of those efforts will be moving forward on that. On this slide as well just to highlight the project plan on the project side of this is really envisioned as five groupings of projects starting in the north, the Waterloo park link, the connectivity projects between 11th and 15th street. Inside of that effort is the refuge and the narrows project along the creek. The creek delta, which includes palm park and then the poon tune bridge that -- the pontoon bridge that Peter mentioned. Some highlights of the plan are here. Again, Waterloo park will include a performing arts venue, gardens, nature-based play and it will have stream and trail improvements connecting Waterloo park

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down to symphony square. The creek delta will be really keyed off the key extension of the Ann and Roy butler trail and extend the convention centers from lady bird up to fifth street. A major key effort inside of this project grouping is the revitalization of palm park and this effort also includes a very needed and necessary joint operations and maintenance facility for parks, watershed and waller creek to be able to manage this entire project in the future on a day-to-day basis. The connectivity projects take us from fifth to 11th street and on trail connections, again including the narrows. The plan also includes again importantly an allowance for additional staff to manage this entire effort to provide implementation and support. Currently this is being done really with very few staff and as this project grows, we want -- we need to build that capability and it would be built out of the tif funds, not a general fund cost. So looking at this financing of the plan we start with a report and you will be getting a copy of this report on Friday when it all gets posted as part of the agenda. This was a market analysis, an absorption study report. This is typical when you look at value capture regimes. The study shows -- proves up that with the combination of the existing tunnel plus the chain of parks and adding these additional years there's significant increase in value over the course of the entire remaining life of the zone, and based on this the city would be in a position to issue additional debt to participate in partnership with the conservancy on the building of the parks and the streams and the trails. This would be a maximum commitment of \$110 million and I think it's important here to -- just to walk through how this would occur.

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This \$110 million would not be available immediately. This would be both the appropriations and corresponding bond sales would really occur over a six to eight year period as in the project groups as they get built out over time. Very similar to how our bond program works. They occur over a period of time. The financing allows us to spread those bond sales and appropriations over. We do anticipate because of the Waterloo park where that is, as you know, that groundbreaking occurred. The private fund-raising is in place and there's an initial request as part of the project plan the city's commitment would be \$25 million for Waterloo park. Another key point here is as we move through the time of this project some key things will occur in accordance with funding and appropriations and bond sales. And one that will be validation of fund-raising efforts for both the capital and operations and maintenance side as well as a validation of the value projections that are we are putting in the estimates of this model prior to any new appropriations of issuance of bonds. So this is something that we have built and we will look at certainly as we come forward each year. So that I think is a different regime than we had in place for the tunnel, where we really -- once we started the project, the project had to complete. This was a place where we will be able to look at these projects year in, year out to match fund-raising and value projections to make sure we're still within the range. We do anticipate by the end that there will be some residual funds and I think getting back to what Sarah mentioned from the proximate principal, we would anticipate that the impact of these investments will spill out beyond the tax increment financing zone boundaries into the half mile. And those impacts would be felt immediately as property values increase, they would be felt immediately to the general fund as a direct impact to the general fund. Again, another -- I think

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another additional but-for that we see when we look at this analysis. Continuing on the financing plan, again highlighting the waller creek conservancy's role. And they would be obtaining fund-raising thresholds. And this is as Sarah mentioned, this is similar to other models we've seen where conservancies help in the operations and maintenance realm and the funding levels would be group by group. I mentioned that the relationship with waller creek conservancy and the downtown Austin alliance on the operations and maintenance partnership and we think that is this very key. And finally the partnership between the city and the waller creek conservancy under a joint development agreement, an operating agreement that already exists. We would be looking to update that and modify that in light of the potential amendment to this tax increment financing zone, simply to extend the term of that agreement to be in line with the term of the reinvestment zone. There's some involvement to the waller creek design plan that was adopted by council so just to look at the most recent planning efforts. And then to build on the strong review and approval process that are already included in there on the phased plan project just to build on them based on some -- that is based on the amendment. And then clarify operating rights and responsibilities as the waller creek conservancy operates the parks,

including things as concerning the earned revenue in the parks. And then key, the city staff would be recommending adding a representative to the waller creek local government corporation, which currently is a joint -- which is a corporation of city and waller creek conservancy. So again, that is our high level summary. We will be getting you a lot of information as we post the agenda items and the backup for that, including the reports and analysis behind it. On Thursday you do have one

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action item related to this, which is to set a public hearing on this amendment, and that would be to set it for may 24th. On may 24th there are a series of actions that will be in front of you for potential action as a city council. That would be first and foremost appointing the board to the tax increment financing zone. Number 17, this is a requirement of state law to have a separate board that manages the reinvestment zone. That board will meet. The board is the city council. And they will look at the amendment and then the city council will have a variety of action items, including conducting the public hearing, looking at the amendment, initial capital budget amendment for the Waterloo park as well as amendments to the joint development agreement and the local government corporation. So that's what we have in front of you. And that will again all be posted on Friday. And we will get that information and will stand ready to provide any information that you may have between now and may 24th. >> Mayor Adler: Great, thank you. Real quick thoughts. First is that I'm not sure that anything that this council does will be remembered 100 years from now other than our efforts at establishing what will be our equivalent of central park. And I repeat, and I know I've said this before, that one of my hopes and expectations for this is that a park for everyone. The gathering that you had in December down in this area to walk people through it, the lake show project was probably the most diverse gathering of people in our community and a big meeting and gathering that I have seen in this city. It's a really big list. I appreciate seeing the fact that -- and we talked about this, you know, a year or two ago because it wasn't part of the package then, but to have the private

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raising of the operation and maintenance money so that that doesn't fall on the taxpayers in future years. I'm real happy to see that element in this. And then just finally sue Edwards, welcome back home into this room. And thanks for your past work on this and your continuing work on it. And to Melba Whatley who is here, a huge lift to make this happen from private business and from philanthropists in the community. This doesn't happen without that. So if you would pass thanks back to the conservancy, that would be appreciated. Mr. Flannigan and then Mr. Renteria. >> Flannigan: Thank you. I have a number of questions, but because we are early in the process I'm going to try to go through this quickly. Don't feel like you have to give long answers. You can answer them later. The market study that we're going to see on Friday, will that answer the questions I've been asking about seeing the detail numbers about the impact to the tax base? >> Yes. >> Flannigan: Good. I'm looking forward to dig into that. I recall in a previous briefing that part of the o&m is by the city, it's kind of like that city standard of

quality, and then the C 3 is supposed to do the rest of it. So there is an impact to the general fund. Am I remembering it correctly? >> Councilmember, Sarah Hensley, interim city manager. The amount in this area is \$70,000 from the parks and recreation department and that money would stay in that area, but that is the extent of what we have. >> Flannigan: So that would be different than what I remember hearing in prior where the new parks would be maintained at a city standard and then the non-profit would come in and do it at a higher standard so it would increase, but you're saying that's not out how it works. >> They will take over the operation, maintenance and management of this whole chain and the city parks and recreation department will not be responsible for any maintenance whatsoever.

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>> Flannigan: Okay. The -- I want to go through this quick because there are a number of things here. On the extending of the tif, the original tif is 100% city, 50% county, but the extension is just city? >> Sorry, this is exactly -- councilmember, this extension from 2028 to 2041 would be for the city's participation at 100% through 2041. >> Flannigan: All right. I'm going to call some of the county folks. I'm curious about that. The part about adding a city rep on the local government corporation, is there not one now? >> Yes, there are currently -- it's five to -- there are four city reps on this so this would be adding an additional one to get up to five. >> Flannigan: Adding an additional. So the slide just said add a representative. I wanted to make sure that was clear. The part about 25 million for Waterloo park, that's from the 110? >> Yes. Thank you for that clarification. It would be the first round of funding off the 110-million-dollar project plan. >> Flannigan: The portion of this money -- I saw that chart where it had all the check marks on it. The portion of the future tax revenues that are in the tif is for capital expenditures only. >> Yes. The project plan is for -- >> Flannigan: That's how the 110 gets funded. >> Capital issuance of debt. >> Flannigan: Okay. So the last thing, depression, if you would clarify on -- the last thing, Greg, if you would clarify, the denser typologies of development, I'm not sure I understood what you were saying about that as it relates to this project. >> So again, I think as -- this is based on literature. There's a report, not only Dr. Crompton, but also Hrna has put a study out there, a consulting firm that we have not used, but they have worked in this realm. The idea of I think an example again would be the type of -- let's look at multi-family being built. With parks there's an opportunity for -- to have

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additional bedrooms, multi-family to go from what is typically single one bedroom or studios into two and three bedrooms so I think that's looking at that density within an actual type of a multi-family. And that brings in the opportunities for different families. That's one example of that. You are going to get a copy of those reports as well. >> Flannigan: Great. I'm looking forward to digging into that too. >> Mayor Adler: Mr. Renteria. >> Renteria: Thank you for this report. It's exciting. I grew up along that creek so I'm glad to see this being developed because I know that there's a lot of transients and we need to really do -- give this creek some love. But I want to know are we going to also have these -- this trail here lighted

at night so that it can be used? >> Yes. The current design plan for the trail is to add lighting so that it can be used in the evening and also just for safety. We are downtown, we do have -- there is an evening life to this place and so we're incorporating that into the design of the parks. >> Renteria: And I hope that we can start our solar lighting along -- where waller creek exit and maybe lighting that little area because we also have the mexican-american cultural center there and at night people do not use that trail, and it could be a direct link from downtown for tourists to come into that area. So I really am glad to hear that. Thank you. >> Mayor Adler: Anything else on this? Councilmember alter and then the mayor pro tem. Sorry. >> Alter: Thank you. I'm really excited about this project and I agree with the mayor that this is a project that if done right will be something that 100 years from now people in Austin remember and remember this council and all the people who have devoted so much time to making it happen. I have a couple of questions I wanted to clarify. On the tirz up to 2028, that 106 million has only been spent on tunnel work, not on

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parks. >> Correct, for the construction of the tunnel. >> Alter: To date the city has not spent money from the tirz on parks. >> Correct. >> Alter: Or this project. Okay. And then it's my understanding that the geographic scope will be staying the same as it was through 2028. Can you tell me a little bit about how wide it is? At one point we were talking about not just extending the time period and the width, but we've kept it at the narrowness because of the development. Do you know how wide it is. >> Peter probably has the map in his brain more than I do. >> So the eastern boundary of the zone is the western edge of I-35 frontage road. And the western boundary of the zone is either Trinity or red river. It starts at Trinity down by the lake and then it cuts into -- as it moves north at one point it narrows so it goes up red river street. >> So may I ask how does that compare to this real estate value increases up to half a mile from improvements? Is that anyway rower than that half mile? >> Significantly. >> So if it's significantly narrower we would expect the tax values outside of that tone would also be going up, which is a benefit for the city from this project above and beyond the parks' value. >> Yes. We would expect again the idea of keeping it within the existing boundaries. Looking at that valuation and working through the studies, those valuations are able to support this debt so there was not really a need from a financial perspective to go outside of the zone boundaries. But what we do see or what we anticipate, I should say, what we would anticipate kind of some of the language that Sarah talked about is there would be a spillover of folks because properties would be enhanced beyond the tif boundaries. We would expect to see those property values go up, which

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again is an immediate impact to general fund. And so again it really came down to a financial decision. We doesn't see the need to extend the boundaries to get to the value capture that was needed to support debt. >> I think just to add -- I think these kinds of investments have a spillover effect that's larger than half a mile. I think downtown is going to see a lift as a result of this investment. They

have gone through apoluning process and principal engagement and one of the points is -- certainly I think it's a long-term investment in all of downtown and so that has a huge impact on the general tax base. >> Alter: Thank you. I wasn't advocating to -- I was simply clarifying that the fact that this is narrow, but the impact is going to be much wider and we'll have a broader economic impact through that. I was interested in you would be funding some city staff through the bond. Can you speak a little bit more to a what you're anticipating in terms of staff? Because we have staff now that then would be freed up to do other things. >> So Sarah, there are a few staff working on this. We know as a project of this scale that we'll be going on for years we need to have some dedicated efforts. I think in the tif project plan would allow for charging -- basically using the tif funds as part of the project plan to fund a those as opposed to having to put it into a general fund cost. >> Yes. Sarah Hensley, interim assistant city manager. In parks and recreation specifically Terri Youngman has been serving in the capacity as a lead to help work as a project manager alongside this for a year and a half now. And that is not his real job, so to speak. So one of the things we would like to do is be able to still provide that level of partnership and work, but allow him to do the job that

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he was hired to do and he's done a tremendous job along with Kristin pip kindergarten and others. But it's time to look at this from a more healthcare holistic view in the city and put the people that can stay working in pip with the conservancy and allow those kids individuals to do their job in their respective departments. >> Alter: The last time you were here we spoke about engaging the county. And I understand you have some plans for engaging the county. They should be part of this process as well and I was wondering if you're in a position to speak about those efforts as all? >> Certainly. I think we've had a fantastic relationship with the county on the overall tax increment tax increment reinvestment zone. When they decided to join the effort in 2008. We've had a chance to speak with the county staff and county commissioners about this overall reinvestment zone. We believe in the conversations we've had for them there's opportunities within the zone to look at further opportunities for partnership beyond the parks that were there. I would remind the council that the current parks plan and the joint development agreement have been really a city waller creek conservancy effort, but we've been encouraged by the conversations we've had with them and we think there's really a good opportunity to find other opportunities within the zone to partner with them on for other things that are needed within the zone as well. >> Alter: I would ask the city manager if we can continue those conversations so that the county so that the county can be a real partner with us in this process and with that part of town, whether it's for parks or homelessness or whatnot. I think that should be a priority is if we agree to make some kind of investment as a city to engage the county in an appropriate way. And then finally, I wanted to ask Mr. Mullen to respond to a question that I asked

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Greg last time which is if we don't do this, what happens? >> Um, I think if this doesn't happen then we would have to dramatically alter the plans for waller creek. We are undertaking an enormous philanthropic lift. This will be probably the biggest if not one of the biggest philanthropic campaigns in the history of Austin. So extending that further I think is not feasible in the framework of a capital campaign, so we would have to dramatically adjust our plans, which obviously would be enormous disappointment. So I think that's where we are realistically. >> Alter: Thank you. >> Tovo: Thanks. I had a couple of quick questions. As I understand with the additional city representation to the local government corporation it would be five and five. Is that accurate? Five from the city, five from the conservancy? Okay. I want to echo or underscore something that councilmember alter mentioned. I would really like to encourage our city manager to work with the county and see how we can continue our partnership and their preparation in this area and with a significant continued financial investment. The -- and then just to signal, I know that this projection talks about also part of the projection is that we would have 30 million or a little bit more that could be used for other purposes that would benefit the district. And we had some conversation about that in the fall and have had some conversation since. And I just wanted to highlight that I did have ask a question back on the -- on the September 28th agenda about how those

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additional funds could be used. We had a pretty -- somewhat vigorous discussion at that point about whether those funds would be used, how they could support affordable housing, whether they could be used only for emergency shelter as the initial discussion suggested or whether they could be used for transitional housing or other kinds of housing committing needs that wouldn't necessarily be emergency shelter. And then I reiterated that question again in March on a council agenda, I'm not sure which one, and the answer at that time was once this effort, the waller creek analysis was done, then staff would be in a position to provide that legal analysis. So I just wanted to signal to my colleagues that I think that's still very important that we have a determination from our legal counsel about how those funds could be spent. We had a lot of community discussions about how we could spend those. Some of them rooted in -- none of them rooted in a legal analysis. So I think we need to better understand how those could be used. >> I will just say briefly that yes, these funds can be used for affordable housing. That's an allowable use of tif funds to use them for affordable housing. There's not a limit that it needs to be used for emergency housing for anything of that nature. It's broader than that. It's broader than using the certificates of obligation and the other property tax backed types of bonds. >> Tovo: Okay. So last fall we asked that question very directly and I thought very directly we got back the answer that because they're non-voter approved debt we could not use -- they had to be used for capital expenses that were emergency shelter. So I'm delighted by your answer. I wonder if we could get a formal answer back to that question just so we can not continue to ask those questions. It's just very different from the answer we received in the fall. >> I understand that and I think that was initially our understanding of how property tax backed debt worked that you had to use

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voter approved bonds for affordable housing, but the tif statute specifically authorizes tif revenue, which is property tax backed, to be used for affordable housing. I've researched that and I'm letting you know that now. >> Tovo: I think that's terrific. And because this has come up a couple of times, if we could get a formal response, that would be very you'll useful. We had several community members who said we know other cities have done -- they were sending us information and we're continuing to get back the answer that it wasn't possible. So if we have a written document we can circulate for future service conversations in this community that would be super. >> I will work with Ann to get you a document that is publicly available. >> Tovo: Thank you. And would it be helpful if I submitted these questions again? >> You can send. >> Tovo: Thank you. >> Mayor Adler: I wanted to also say that manager, I'm here to engage in those conversations with the county. I know that -- very appreciative of the county participating with the flood project. Certainly the -- this park would be one of the most significant for Travis county and available for residents of Travis county. Part of Travis county. So their participation in this, even conversations about the palm school, which is the front door to this part of the park, are conversations that I hope we can engage in with our partner government that oversees or the jurisdiction oversees this area in particular. Further comments? Mayor pro tem, do you want -- >> Just one. Sorry, I got so startled by the affordable housing discussion I forgot to say -- I just want to echo

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my colleagues' thanks to the waller creek conservancy and to our staff. I think this is extremely exciting and I'm really looking forward to this project. I think as you said it will serve a diverse range of austinities with a diverse range of experiences and it will be really transformational so thank you all to worked so hard on it. >> Thank you. I want to give a shout-out to Kristin and Terri for all their work on this. Really cross-collaboration across departments, pard, watershed and finances, they've been working on no a long time. >> And Kimberly Mcneely. >> Lots of folks. Thank you, guys. >> One correction, councilmember Flannigan. It's not 70,000, it's 35,000. I was incorrect. Terry Youngman touchdown pointed it out to me. That 70,000 will stay out of the general fund. >> Mayor Adler: Councilmember Flannigan, do you want to close up? >> Flannigan: I was surprised at the tif conversation because I remembered something different about that too, but I also tend to be really frosty on the tifs as a concept because it's not new money. This narrow window of tif usage where it facilitates density and development that is theoretically new money, but I don't know if it does that. So unless there's a financial reason, interest rate reason, a legal reason that tif-backed debt is better than other types of backed debt, I don't know that it's -- I don't know that it even does the thing as opposed to just doing a co. Unless there's some interest rate bump or -- do you know what I'm saying? I'm kind of talking to the mayor pro tem if that's all right, mayor. >> I think we can't do cos. I think we know we can't do cos. Now, it doesn't mean that we couldn't designate money out of our general fund in the same way that we would be using the tif funding, but we couldn't do cos. It's an interesting question. I think as I see the advantage would be that we would be very intentional about designating those

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funds at the outset and that would allow for planning and some surety among our affordable housing providers. >> Mayor Adler: At some point pure student to the request we made now it feels like a year and a half ago and periodically every -- multiple times since then some of them mentioned just a moment ago by the mayor pro tem. My recollection of the conversation is that that was an open question at the time because there were some discussions about alternate interpretations of the law. And when we get into these conversations later, we can certainly have them. I think that there is a but-for associated with doing some housing in this particular area because I think that if we were able to follow through on some of the funding for some of the things that echo has asked for in terms of capital expenditures, it would have a real impact on market values in that area. That's the but-for argument I think that allows us to use the tif in that area for that kind of targeted use. Anything else on this before we move to the next briefing? You guys did a great job. Thank you. Let's get the update from economic incentives policy update. And then council, the hope is that we'll be able to get the briefing and update on the potential 2018 bond election, which I think is short, and that way we can handle all the briefings and then we can go into executive session and not have to come back.

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Gaze may I>> Garza: May I ask a quick question? Why are we getting this just as the presentation is about to start? >> David Colin with economic development. I apologize. We uploaded the presentation last night and we were late getting it into the system so we had to print up copies of the presentation this morning. >> Garza: So when was it available? Last night? >> Yes, it was. >> Garza: Okay. It's just nice to have this ahead of time so we can be prepared to ask questions. I understand you guys have been working hard on it, but it would have been nice to have it ahead of time, thanks. >> Mayor Adler: Okay. Go ahead and proceed. David? Or whoever. >> Do you want to tee this up and then have me speak or go ahead? >> Sure. We are back to continue our conversations around the economic development policy. My name is David Culligan with the economic development department. I'm joined here with John hockenyos who is our consultant on this matter, and also Julia Campbell who works within economic development as well on our Google business expansion team. So thank you for continuing this conversation with us. We apologize for the late backup, but we are excited about bringing forward more information and telling you more about the process as we look to move forward. >> All right. I'm John for those of you who don't recall. And I want to say personally for me this is a great opportunity. I was involved a long time ago when this policy was initially launched in the wake of the dot-com bust and the 9-11 crisis and that was of a particular time and of a particular place and that the policy certainly has evolved some since then sew it been very exciting for me and personally gratifying to be involved in this comprehensive update of a policy that was really started about 15-odd years ago. 15 years ago we were in a different place as a community. For those of you who were

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here, we were struggling in the wake of the dot-com crisis, again in the wake of the 9-11 situation. We lost a giant volume of technology jobs. Our unemployment rate had skyrocketed and there was a sense that we needed to be proactive in being out in the world actively recruiting economic development to Austin. And in particular at the time the focus was largely on technology-related jobs that were high paying. Well, fast forward 15 years and things have changed quite a bit. We are now arguably at least in the aggregate one of the most prosperous communities in the country. Our employment weight is about a third of what it was 15 odd years ago. And the conversations in our community have turned and we'll talk a little bit more about this. A way from how do we stimulate aggregate prosperity, how do we deal with those that are being left behind? And left behind in this context means really two broad groups and there are some prosover, existing residents and businesses who are struggling with affordability issues and that's a simplification. And then folks who call into the bucket of what we call the traditionally hard to employ, which can be everybody from folks who are struggling with a substance abuse problem, folks who come from a historically impoverished area, military veterans having a hard time finding a job, something near and dear to my heart, people with certainly needs. A range of people in -- special needs. A range of people have not done well with the prosperity in our community. And we think we have the opportunity at this moment to reframe policy and restructure programs in a way that explicitly addresses that problem. That's largely what you're going to hear from the three of us today. In terms of structure on the overall update, I guess we can -- is it me? In terms of structure I'm just going to give you a little bit more on the history and the context. David and Julia then will take you through the process. And it's been an

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extraordinarily I think thorough and fruitful process. Tell you kind of the principals and policies -- principles and policies that have come out of that overall process of engaging with stakeholders across our community as well as some ideas around restructuring some of our programs and ultimately we will finish up with some requested actions. I don't believe that anything is being requested of council today. I think ultimately there will be some requested actions from council, but not at this point in the equation. So again, just to put a little more -- a little more context to this whole thing, we sort of tried to summarize the economic conditions really over the last 15 years or so. And what you see there is what I just said, that we had problems related to several big events outside our community. We're obviously all familiar with the technology bust around the dot-com. And obviously familiar with the effects of 9-11. Unemployment rates skyrocketed, incomes dropped, city of Austin revenue actually dropped as part of that equation. And as a result of a fairly extensive process then we put in what is the foundation of existing economic development incentive policy today. And you see what's happened there. The green dots is our representation of the deals that have been done under that chapter 380 policy. Done in a temporal way there, you see there were quite a few done in the initial wake of the policy being put in place, a few done in the way -- actually more than a few. A number done in the wake of the recession of 2008-2009. And then really only one has been done in recent years. And so at the time really focused on recruitment and attracting technology intensive stuff. Today conditions are a little bit different. These are the metrics. We've actually done 25 incentive agreements since 2003. Four projects were

completed, eight agreements remain active. 12 different companies chose to actually -- to initiate the process of terminating

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their contract with the city. The city itself terminated one. You see some return on investment numbers there. I want to emphasize something here that's important. This policy has always been designed to contemplate incentives once the cost of having the company in the community has been accounted for. The city uses what's called the web loci model to evaluate that, but good policy has always been not let's just take what they bring to the community in terms of gross revenue, whether it's in the form of property taxes or the form of sales taxes or in the form of fee income, but let's also figure out what it costs the community to serve them. Whether there are direct infrastructure costs associated with a community coming to the community, whether there are the indirect costs of having new people in town who require public safety services who participate in our parks, who find themselves in our libraries. There's always been the effort to start with the gross and then subtract the cost of service so that if you're contemplating an incentive it's only on net-net gain. That's one important piece of this equation. The second important piece of this equation is if you know they're coming already, if, for example, they've started construction, why do you need to incentivize them? They've made a commitment. And so one of the things that's always been shot through this policy, and needs to continue to be shot through the policy, is answering the but-for question. You have to credibly show that big bad company X wasn't coming to Austin or at least had credible other places they could go with some tangible evidence before we offer them an incentive because again if they're coming anyway, what's the point of incentivizing. So those are two things that have been baked into this policy from the beginning. They're still obviously in what we're talking about going forward.

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When a company comes to Austin, yes, they employ lots of people, yes, they generate a lot of revenue for themselves. Hopefully they're coming because of our labor force and to take advantage of people here who have an opportunity to get a better job, which creates further opportunities for other people on down the line. But a lot of times it, and we've used a Samsung partner there as an example, they do substantial contracting with local firms. That's a firm up there called atx environmental solutions. It's just an example, but they talk about how the presence of a Samsung in our community has really enabled their business to thrive and succeed. And we point that out to show the effects of having a large company here extend in ways that we don't often times think about. So that's simply an example of that. And this is interesting and David will detail for you, it has been a thorough effort to engage the community. First and foremost there's a word out there that 70's equal corporate welfare. We've heard that loud and clear in a lot of different ways and we need to pay attention to that. Because if that is the community perception, then we need to do our best either if it is true then we need to do our best to make it not true. If it's not true, then we need to do our best to educate the community about why it's

not true. And we've thought about that a lot in crafting what's being brought before you today. Related to that is I live in Austin, Texas, what's in it for me? I'm not going to work for a big company. The recruiting is no benefit to me. I don't have any kind of a relationship. Yeah, you can talk to me about ripple effects and all that. That's just economist talk. Tell me what it means for me. What I mostly see is more traffic and higher housing prices. So why should I pay attention to this? Why should I be for this? Again, this is only for the big guys. This isn't for me. The metaphor I'm using and people are sick of me saying

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this is Bob's flower shop. I don't think there actually is a Bob's flower shop, but that's the metaphor I've been using. What's in it for me if I own Bob's flower shop? That doesn't help me. Some of the companies we talked to said hey, the requirements to actually qualify for a chapter 380 incentive are overly prescriptive. And that's of course an issue because obviously the city has a fiduciary and policy role to make sure you're getting out of these agreements what we as a community want to get, but at the same time you want to make them as agile as possible so that companies can comply and can basically succeed under the terms of the deal. Then the final one, which I think is a communication challenge we face on a number of issues, is perceived to have been a lack of really public engagement on this process. So those are all things that we've heard over time as part of this process. What are some of the policy challenges? This is a living document. And so there has been over the 15 or so years since the original policy, we've created approximately 24 resolutions and ordinances that modified it to some degree. And at least the perception out there is it's a little bit of a disjointed thing at this point. We're hoping that we can make it clearer and a little bit better integrated. And in particular we want to make sure it aligns with the city's strategic plan. That only makes sense in my view to try to make sure that the city's vision and its programs and policies are aligned. You know, the previous policy efforts at review really weren't this kind of holistic thing. We're coming forward with you today to say that hey, in the past we had kind of a one-size-fits-all approach and that was mostly about recruiting technology intensive companies that paid high wages. It's a whole lot broader than that at this stage of the game and we think that this effort will be a little more holistic than it has been in the past and again much more responsive to what the community has told us. And of course what the council itself has told us.

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And then historically we wrote this originally, but it kind of got lost by the way side. I'll bring it back up again. This should be reassessed on a regular basis. I would say as often as every three years, maybe as often as every five years. I'm not saying that as a full employment act for myself. You can find somebody more capable than me in the future. But seriously, the community should really pay attention to this because at the end of the day part of what it has to do is it has to be responsive to the challenges and the environment which the city of Austin finds itself in. And as history tells us, that external environment changes on a fairly regular basis. We need to have our policy in a position and our programs in a position

to respond to those changes. And so having said all of that, what we are dealing with in part is that we are dealing with a perception out there that this is a difficult to work with process, hard to navigate, not business friendly and then other communities in central Texas are easier, are an easier deal to do along the way. In my mind that -- we don't have to be legislative-ishly respond -- slaveishly responsive that, but that's the perception out there. That's a background on where we've been, where we think we'll head with this. I'm going to turn it over to David and Julia to actually put some meat on the bone for all of you. I may pop in periodically along the way. >> We hope you do, John. Thank you. So looking at some of those different challenges, council asked us to look forward in, and the community was excited to hear that request in looking at some of the differences between 2003 and where we are today, you can see the framework depicted here shows a number of differences that we're ready to elevate for council's attention. First, the focus on being prosperity interested and bringing in jobs that were high paying as well as the types of investments that would deliver those jobs is

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not necessarily the message that is resonating with the community today. In fact, we're looking at more of a diversified approach for local creative industries. Are small businesses being developed strongly and how it is that connects to a culture of this city that continues to drive a unique Austin. But also the types of jobs being created that are more aligned with mid skilled workforce development so we can see some of those that John spoke about earlier that have some of those economic disadvantages connecting with our at least having access to opportunities that we're delivering through economic development. And finally we're going to bring forward a portfolio approach so that you see that economic development is a much stronger diversified and strategic approach, something that's not so focused on what we were doing in the past, which is solely on business recruitment. So looking at where we are today in the process, this is solely an introduction to a lot of the information that we are prepared to bring forward. In looking forward, we've got a variety of different tools that you are going to see delivered today. You will see our guiding principles, our chapter 380 policy and also our first program guidelines for business expansion. All of this is in an effort for moving forward with additional program development after adoption. But first just a quick review of how it is we've gotten to this point. Staff went out and on your behalf after listening to the feedback that you articulated through the resolution and our conversations around economic development, we conducted an exhaustive and engaging public input process. This was done by hosting focus groups aligned with areas of economic development, by also using interactive surveying tools to connect more after we were able to validate some of those messages from the community. And then we also met with a variety of leaders,

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individuals, community and organizations to better brief them on what it is we heard from the community that was connected back to what we've heard from council. So this was an unprecedented effort on your behalf provided by the economic development department. And we heard a message that

was much more colorful, much deeper than any policy that we had seen before. So we started to create something that was a little more unique in this conversation, and that was our guiding principles. So in helping the community to better define economic development, we were able to come up with more of the tangible items in which the community would better feel or should be connected to more of these public-private partnerships in the future. This is where conversations around economic development in Austin become a little more unique. And even though we're going to spend a lot of time talking about business transactions over the rest of this presentation, this is where we have to acknowledge that the partnerships we structure in economic development impact the lives of the people that we serve. So we now have these goals and expectations that both the city of Austin and our private partners would have when participating in programs on behalf of economic development. You can see here on the right side some of the traditional expectations of those partnerships in terms of jobs being created, investment and then some of the tax revenues being generated by those particular projects. Today you've got a new slate of deliverables that the community is requesting and that's because people are prioritizing place in this conversation. They support the city's role in addressing affordability and equity where it is strongly needed. And so when you start to see things, like locational enhancements, transportation, workforce development that speaks to accessibility in our efforts for retaining the character of our city, but also in our promotion of equity. Now, if we wanted to provide solutions to you for your consideration that connect

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to your strategic outcomes, we're going to have to deviate away from how it is we've traditionally looked through the scope of economic development because that has brought us to one tool historically and that was business recruitment. But we know that there's a variety of different ways that we can have this conversation and in helping the community to better define economic development, we also discovered with them how it is they narrowly understood the limitations of what it is we're capable of doing. That's no longer the case by having these community conversations. We hear now from the community that they like and they want more. So redefining economic development means that the conversation was broadened to embrace a diverse and equitable slate of potential resources. The community supported the idea of a bigger universe of what economic development can do and together we started seeing the impact of our programs and projects. That connects with individuals by providing jobs or providing skills development and also the impact that we can have from communities and neighborhoods by development that can provide social benefits such as workforce housing or healthy outcomes. The community was eager as well as was economic development in exploring. And we can tell you good news in this process that we are able to create more of these niche programs using the chapter 380 legislation. This is where some of the creative juices started flowing. In the past we were able to create the creative concept program which helped us to leverage a state program to bring more content here to Austin. We did so because we needed a variety of projects that were slated for the Austin area to help keep our creatives in market, provide them revenues and hopefully help them to generate their own content here in Austin as well. And so we did this to create a program that was attractive. We did this by softening up mbe/wbe requirements. We created a simplified

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evaluation process that was in line with our recruitment process. But because industry standards were very different for this type of user we had to make it administratively quicker to operate and more transactional. And as a result we started to see more of these programs that were coming into the community, especially as Texas was very competitive around creative content production. The same can be done for a healthy foods program where we focus on a specific goal or outcome and create the type of program needed to help us connect with those strategic goals. Similarly we heard from a large part of the community that they wanted more of these agreements to reflect their microcommunities, not just the greater Austin area. We can see how it is place-based program can be Teed up to better look at how it is we can connect more creative venues, how we can address affordability for our small and local businesses in different parts of the city and make sure we're retaining our culture and preserving what it is we know as Austin. So we brought this message forward to you back in December of 2017 and we presented our initial list of recommendations based on the feedback that we heard from that year long process of working with the community. During this time our list of recommendations included stepping back in the development of this policy process to address the expansion of a portfolio of programs while also making process adjustments as well as internal and external developments of support systems and communications from within the city of Austin. We sat with you and heard your feedback and you asked us to refocus the policy so that it can focus better on today's present conditions within the market, but to also move forward in a manner that could help insulate Austin from some different national shocks. We were asked to address the existing resolutions in ordinances that currently create our economic development policy, but to

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also identify operational processes and needs for resources to be able to implement this type of program. We heard you. And as you will see in the documents that we heard you. On behalf of this effort, our desires for a stronger economic development program are aligned. >> Thank you, David and John. Again, my name is Julia Campbell, and I've got the pleasure of working on the policy revamp as well. What I'm going to do is just dive in quickly to the principles, the policy, and the programs that we'll be bringing forward to you as tools. So we did take that resolution that you provided to us back in March to revise this policy and that community of feedback that we've mentioned, and we took that a few steps beyond what you asked of us. We are not just bringing to you recommendations to revise the policy, but take a step back and look at the strategy a little more holistically. The top of this waterfall illustrates our private focus areas. Where we we get those areas? That's part of our community input, council direction and information that we saw overlapping in our Austin strategic direction 2023, and it helps us identify what those were, sort of the "Why" of why we do what we do. The next level of the waterfall is our chapter 380 policy document, putting the "How" in how do we achieve these goals. This document outlines our program creation framework that, for all programs under 380, would have as far as administrative scaffolding. And then finally, this last layer of the waterfall here is our individual programs that are born from that framework on the previous level, each with unique priority goals. So

that includes things like minimum requirements, eligibility, and evaluation process and application workflow, council approval process, and metrics. But illustrated here are the first two that we're recommending

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for roll-out, the business expansion program and the location-based program guidelines. And on and on we would proceed with the 380 program structure. There's a lot of information in here, mostly for the public's benefit, but we'll touch so some high points and try to answer some questions we end. Let's jump back up to the top of the waterfall and examine our guiding principles. This is again what David mentioned and John mentioned, the spirit of our economic development as defined by the community. And it provides our context; right? So we want to make sure that we're engaging in purposeful economic development, that responds to those dynamic market conditions, guided by those shared values, and engages in proactive interventions. Our enabling legislation section touches briefly on possible legislations, one of which is chapter 380, that we're diving into today, that would allow us to then create programs that match up with those community goals and actually execute programs to get them done. And then finally, or further, we set the definition of what economic development value truly is. So what do we expect the community and the city of Austin to deliver and what benefits the projects themselves would deliver, so kind of each day of the equation, what are those expectations. And then we also address the lens of seeking equitable prosperity and affordability, which is our area of emphasis, and also address the strategic alignment for this new policy and how many different wonderful initiatives and strategies that have come out of the work, both here in the community, but also within the city of Austin. So here's what you can expect to find in cracking open the new 380 policy, which will be made available for your review. With all of those lessons learned, we needed to make a framework that could be a tool. So we needed that tool, though, to be flexible, so we could create niche programs as part of a holistic portfolio.

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There's a basic outline, creation, stewardship, reassessment, which John mentioned in the beginning, then this policy does connect back to that economic development value definition. Right? So either side of the incentive coin, we want to reiterate that, we're not going to create a chapter 380 program that doesn't connect with those values. The program creation criteria, 380 requirements, existing approximately 24 resolutions and ordinances that are currently in place and how we will be bringing forward the spirit of those regulations into the new policy. But again, it's this new perspective that would allow us to sort of shed that one size fits all approach, and replace with it a list of applicable requirements that make sense for the individual program and the applicant. And then finally, we set out the objectives and outlines for the administrative process, the application processing, stewardship, and reassessment, just again to maintain that level of transparency as well. So essentially this document outlines the 380 framework for creating programs now and in the future. Our first program is actually a

portfolio. One of the goals of this portfolio, the business expansion program portfolio would provide compensation for middle skill workers, jobs for the hard to employ and/or economically and socioeconomically disadvantaged population, interventions to address rising costs, addressing needs of local businesses. Then engaging in certain business expansions that yield benefits to the community that are beyond the local tax base, so more community benefit -- direct community benefits beyond that revenue. Then offsetting city regulatory environment as it relates to the barriers of those business growth -- or business growth. So that alone, that list alone, addresses nearly half of the items set out in the resolution that you ought brought forward to us. We do that in three different categories. Briefly, category one is for existing local expansions, and that service is existing local small heritage businesses and offers three different tiers, depending on the number of jobs being added, the size of the business, and kind of calibrates

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those feasible requirements, depending on the number of jobs and the size of the business. The second category is our opportunity for employment, and that would help to catalyze job creation and provide a clear career path for those who are experiencing those barriers to employment, including things like paid internships, apprenticeships and full-time positions as well. Then finally, included in this portfolio is our external relocations. And that focuses on attracting the right businesses, or right fit businesses to Austin, who do provide jobs and investment for the creation of that prosperity, continuing that trend, but also direct community benefits, as well as tax revenue. And then most important, maintaining our competitive position in the global market placements just a quick note on our administrative process and the new sort of world we're operating in, we have outlined an application process to -- for both staff, applicants, and council to better understand the flow of information back and forth to potential applicants. And the spirit of that is really just to offer an efficient and inviting and responsive experience, sort of taking a cue for some of those lessons that we learned along the way. City staff would ensure that a stewardship practice would be maintained, compliance and transparency measures would be maintained, that was certainly something the community and staff highly recommended we retaken in the new policy framework. But a key new component is this reassessment feature, and I wanted to just quickly a touch on those elements. We did sort of hear that a five-year reassessment for the entire program is an appropriate time, within that time frame, an ability to amend repeal replace, given market conditions and feedback that occurs along the way. The terms of agreement within the program would be around five to ten years, but of course made to best reflect the project's timeline, job creation schedule, investment schedule and other things, and agreements in this new policy would include a cap, not to exceed 50% of the net present value of the total tax liability over the term of the

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agreement, and then in the case of a job or per-job allocation would be a dollar cap. And then given the shifting economic conditions, market conditions and community needs, the policy would allow for case

by case consideration, high impact projects, unique developments. Another thing we really wanted to retain was this public input thing. We want to continue doing that, so that needs to be a part of the program structure itself, ensuring those priority goals are being met. Then finally, not only a five-year review but also an annual update in reporting as part of this we want to ensure we can measure the effectiveness in both the program level, which includes three different categories, but project metrics as well, so that's things like number of applications received, equity measurements, transportation impacts, workforce impacts, new jobs created, types of jobs and revenue. >> So engaging with businesses is one aspect of which you've asked for city -- for city staff to bring back on behalf of your resolution. The other half is looking at how we engage with places and making sure we can secure options for business base, especially the businesses that are unique to Austin, especially small and local and creatives. So we plan on doing sorbs but first we've got an ordinance that stands in our way for being able to deliver more products or outcomes for council to be able to review. So you can see a type of program that's been defined, or at least the structure of something that we are ready to compliment on of implement on behalf of staff. Provided that we're able to move forward with an ordinance for our location-based program, we look to connect with a consultant who can help us better understand how it is the city can operate within this area to learn from some of the lessons that we've seen in the past, and we look forward to bringing some different types of concepts back to council for review. That being said, council should not stand alone in its efforts to

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bring more locational based enhancements across the city. In fact, we would like to continue the conversations with council for the creation of a singular external economic development entity that could assist us in holding, acquiring, disposing, or dealing with private and city-owned property for the purposes of economic development. And we see this type of activity happening within a pretty vast spectrum where you can look at types of redevelopment deals or even cost of industry development. That being said, we have been working with legal bodies inside and outside of the city to better understand authorities and privileges that are available to us, provided legislation from the state of Texas, and we need to have further conversations with council around what it is that type of structure of governance would be for this body that would interact very closely with the city to help us achieve our economic development goals. From that point we would suggest a particular type of legislation that could enable us, and then we would locate some type of implementation implementation strategy that staff can connect with council's goals to be able to execute such process in looking at our economic development policy, or at least a model that's supportive of a portfolio, we're ready to bring forward some new recommendations as to how it is we can support this type of development in the future. And I can tell you we won't start this late from scratch. So if we look at this slide, we've got a number of different programs that either exist, are in the works, or maxillas but they're not funded. Those yellow structures, the yellow-boxed items you will see, such as the crew, the cultural and heritage business preservation fund, is a tweaked version of the arts based assistance program that you passed per your budget discussions last fall where you provided economic development, \$200,000 to be able to work with our arts bases to help them maintain some of their locations in the city, kind of pushing back

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on that affordability issue. What we would like to see is the ability to work with what we've learned through that process, to create more of a sustainable program. In some cases you've got one box, which is red, our business enhancement and retention program. The structure is there, it exists, and it could work to help us in the battle around gentrification and where small businesses are trying to stay within their area, per a lot of development taking place around them. This policy or program was created quite some time ago to help businesses do just that, in the downtown area. And we think of this program, again tweaked, then provided some resources, that it could be successful in helping us within this portfolio. You also see those blue boxes around business expansion and location-based. We've brought forward the guidelines for business expansion program today, and you'll be able to see more information as we get reports out to you later today, but we also have working documents around the location base, as we've scoped out some work we're able to implement with consultants to be able to draft up these types of programs, as well as the healthy food program. We've been working very closely with sustainability over a period of time. And as I mentioned earlier, we've been working with legal to frame up what that economic development partner could look like within the community. To be better able to understand this, we've got to put? Scaffolding around this portfolio to see how it is revenues can be generated to help bring forward a portfolio or approach that is more inclusive of economic growth in the city of Austin. What you see here are two different grant types, and that's because business expansion and our location base work can help us generate revenues that can then be distributed into other types of grant and loan programs. And then we also look at operational or, as you would see it, kind of clarified as "Other" in the chapter 380 language by the state, we look at an operational fund that could assist us in connecting with some

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of those businesses, especially our smaller businesses, that connect with economic development value but may not have a significant impact as measured by some of the other components. Then we also look at how it is we can provide some of those funds in terms of investing in this type of portfolio, so can we see some of these loan programs, can we see that economic development partner so that it can successfully attribute to our goals connected to the strategic plan. Further, if we wanted to look at this funding model, as we traditionally do, when we've worked with the community around a particular issue and we've identified a series of solutions, but now we've got needs for resources as staff to address those particular outcomes, you can see that we've estimated this package costing around \$17.25 million initially. That allows us a \$2 million grant system that would probably be non-revenue-generating, or hopefully revenue neutral. But you'd also see we would cede a loan program with packages to our small business base or at least local business base here in Austin, as well as a ceding of operational fund with that economic development partner. We would look at a \$7.25 million request in years 2-5, as we look to continue this portfolio program for a five-year period of time as connected by this particular policy. But in looking at how it is we can generate revenues through that first column of grants, we would like to ask that council appropriate some of the direct property taxes being paid by these projects so

economic development projects can secure more inclusive economic growth in the future. Can we take some of those direct outcomes and distribute them through the rest of this portfolio so we can successfully

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administer different programs that are connecting with our small business base, our creatives, and helping us to drive more of the outcomes that we've heard from the community. This looks a little different, and I think John can help us to look at this model in a different way. >> It goes back to a little bit what we talked about earlier. I mean, a logical question that in a community that has this extraordinarily low employment rate, and plenty of high-paying jobs, is why are we recruiting xyz technology company that's going to contribute, do really more of the same which we've already got? Assume we've answered the but-for question in the appropriate way, and assume we've done the calculations appropriately, okay, they're going to bring us a hundred dollars in value per the stylized example, it's going to cost us 70 bucks to serve them per this stylized example, we've got a \$30 net benefit left which we didn't have before. Well, one of the things that we are thinking about is a lot of the new programs we were talking about are going to require some funding. We were talking about providing financial incentives to small businesses for hiring new people. That's a cash-based grant, literally you bring in a new person, you pay them the right kind of wage, we'll give you some cash back for doing that. Same kind of thing is true for employing the hard to employ. There are a number of other programs that are sort of in the works that are going to actually cost money, and I realize the city of Austin, I think we all realize this, doesn't have an unlimited checkbook. So to the extent that we can all do the kind of recruitment that meets our criteria, that fits with our community, that generates these positive net benefits, that funding can, in turn, then, support a lot of the other programs we're trying to create, as well as the Ed entity, and as well, depending on how it's all allocated, the overall general fund. So the idea here really is a portfolio, and the emphasis on the portfolio today is not so much on recruitment, because recruitment is really there to provide the financial support to the things we want to incentivize.

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In the past that wasn't the case. Portfolio approach to all of this, in general, I think is a pretty smart way to go. What I think we try to do is identify all of our priorities, all of our needs, all of the things we want to emphasize, and then figure comprehensive way to pay for them, which is efficient and appropriate. I think this is an illustration in what some of that might look like. >> So in moving forward, you will see a variety of actions that we're prepared to bring forward to council. The first is looking at our economic development guiding principles, which are new to the conversation, as well as the carpenter 380 framework that we've prepared for you to be more organized in our effort for bringing forward programs in the future. We will have that brought forward to council as a resolution which will be connected to an ordinance adopting the business expansion program, as well as an ordinance to allow

to us move forward in developing out more location-based programming as well. We need to continue conversations with council around that singular external economic development entity that can assist us and serve as our partner within the community, especially in terms of real estate and redevelopment. We'd like to continue conversations especially around the real estate acquisition and disposition policy for the city, and how it is we can develop out additional programs in the future to better connect with some of the needs that you are articulating on behalf of the community. This process isn't done by any stretch of the imagination, we're moving forward and are going to close out the conversation with the community in the same way that we opened up those conversations. We're going to make these documents available to the public for the next month. We will have a public portal that is available to collect all of those comments, and as we've done in the past with some of the different projects, we'll be bringing forward those comments to you for review before we actually look to move forward with a vote on these different items as well. We will be connecting with a variety of other stakeholders, as well as some of the different commissions around the city, and having additional meetings and providing you with that feedback

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before we move forward. In looking down the road a little further, we hope to be successful in moving this policy so that web begin implementation around some of the programs we spoke about today and help to move forward with some of these changes. With this being said, we're here, and we welcome your questions. Thank you for your time, and thank you for the opportunity to be able to connect in such a valuable way with the community. It's been some time since we've been able to revamp this policy and really honor the support around the work of economic development, and it's been a privilege to work on your behalf. >> First I wanted to point out, I appreciate the attention on the healthy food project and your working with sustainability. In connection with sustainability, I've discovered that there seems to be, when we talk about healthy food programs, we're not necessarily talking about grocery stores, we're talking about what was really a stopgap measure to get healthy food into some trail. But in fact, there have been resolutions that specifically highlight grocery stores. There was an fte funded that the very first line of that -- of the job description was for grocery stores, so I -- I just ask that, going forward, we -- it's -- there seems to be -- and when the community hears healthy food, they think grocery stores. Signed I've addressed some of these concerns with chief of staff ray bray, and he's been very receptive about, please, it's about grocery stores, incentivizing grocery stores, not just getting healthy food. Again, that was a stopgap measure. It's a good program, but it was simply because there are no grocery stores, we're incentivizing, you know, small corner stores to have produce there because there's no grocery stores. So if I could just ask for that conversation to be more focused

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on grocery stores. I have a question -- I have lots of questions, but I'll just ask a couple and pass the mic. 10, it talks about locksal locational enhancements. What is that? >> Sure. When we speak to locational

enhancements, we're looking at accessibility, whether that's accessibility to jobs, accessibility to some of the grocery stores in areas that are food deserts around the city, or maybe accessibility to mobility. Locational enhancements in the way that we are framing it, and as framed through the definition of the community, is looking at specific needs within microcommunities around the city, and how can we negotiate to make sure that everyone living in Austin has the values or the ideals of what it means to live in Austin. So can we better some of the places to improve the quality of life for individuals living in the city by connecting with new development or connecting with redevelopment of spaces within the city. >> Garza: Okay. And as part -- I don't know if this is the same, but for example, we have, you know, imagine Austin that has desired development Zones, but we don't -- I don't believe, and please correct me if I'm wrong, there's no, like, desired economic incentive areas. There's no geographical -- is that correct? >> I'm glad to hear you say that. We actually have a place where we do not look to incentivize any type of projects, rather than a location where we would favor incentivizing. So it's stated a little differently, but you are correct. >> Garza: That doesn't exist right now? >> Correct. >> Garza: Okay. So will that be part of what's coming forward, like a -- because my office is actually starting working on a brainstorming to address this. If you want to build downtown, I guess my thought is, and I know the details are coming later, but I thought if you want to come

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downtown, we're not going to give you any incentives. But if you want to come to a part of Austin that needs jobs, then we'll talk about incentives. Is that -- do you think that's included in what you just presented, that thinking? >> In terms of developing a locational-based incentive or program, yes, absolutely. We would be looking to create that exchange on behalf of economic development where it is needed, as articulated by the community. >> Garza: And then slide 16, these are not existing documents are they? They're coming? >> They are existing documents now, which will be on the website and we will be making them available today. Yes. >> Garza: Okay. So those -- so I guess I thought of guiding principles as like imagine Austin, chapter -- is chapter 380 policy like -- I hate to say it -- a land development code? Is -- >> This is -- your chapter 380 policy -- >> Mayor Adler: Don't say yes to that. [Laughter]. >> Garza: I'm just trying to understand the cascade, like what guiding principles, like these are all the things we want, and then is the chapter 380, the specifics? Like the devil is in the details. Is that what that is? >> So the guiding principles are the pulse of the community at this point in time, and it reframes how it is we define economic development as a community. In stepping down, you have the chapter 380 policy that says if you're going to create a program using chapter 380, this is what we anticipate you will bring to council, to be able to consider that program. So it's an organized approach to putting that -- those types of programs together so that you all have the information you need to make decisions. And then you'll actually see the program guidelines themselves, which provide the framework of particular programs that we're looking to move forward and vet with the community and business partners, so we can administer. >> Garza: Okay. Because I'll probably have more questions after I go through that. And then last question, then I'll pass it on. Page 20, it talks

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about business expansion program portfolio. I'm still trying to understand how all these fit together. But, you know, one thing we all have constantly heard over and over and over is, like, I don't need any incentivize, just get me my permit as quick as possible. Like I don't -- that's all I need. And stories of businesses who had to close for a year who lost contracts during south by southwest because they were in the middle of remodeling and they couldn't -- is this part of that, or is this something beyond that? And if it's beyond that, how do we fix that problem of small businesses just not asking -- they just want a streamlined permitting process, and that's, you know, in codenext, too, that issue as well. >> Absolutely. Economic development has been able to offset that matter. We have ombudsman services through our small businesses division. And as you looked at the slate or portfolio of programs that we're recommending, you'll see that green column or the operational column, which is our effort on behalf of economic development to be able to continue to provide those services at higher degree. It does come at some cost to the department. We would like to be able to ramp up more of those efforts, and so you'll see how it is we're able to hold hands on small businesses who need to better understand the permitting process or maybe help to overcome some of the transactions that are setbacks in terms of working within the city. So it's a part of the portfolio overall, yes, ma'am. >> Garza: One more. I lied. >> Can I just say one thing as part of that also? What we're seeing in a lot of communities is when economic development has a seat at the table in these conversations, sort of from the get-go in terms of dealing with our departments -- because communities, particularly cities can get siloed, and half the time the permitting office is focused on what the transportation department is saying, versus parks, whatever, not -- those aren't specific examples, but when -- to the extent that Ed has

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an active, ongoing, almost daily working relationship with other city departments, that tends to mitigate some of these problems a little bit. >> Garza: Okay. Then slide 28, generally I like the idea, if this were intended to, say, for example, we give a big incentive to xyz corporation, and as part of that, whatever, you know, benefit they're getting, we're able to put aside a million dollars, and that million dollars would go to incentivizing a grocery store, like, I like that general idea. I just want to know if there -- you know, are we going to have any kind of analysis of what the fiscal impact would be on a financial forecasting for the city if we are diverting funds from the general fund. So if that will come later, that's fine. >> Yeah, it would have to come. You have to do that obviously. And, again, you have to go back to that but-for question. Right? And that's one of the virtues I think of this approach, is it really is, if it's done properly, new increment alimony that you weren't counting on so given that, you can choose some interesting ways on how to allocate some of that new increment alimony, but it is incumbent, sort of, as good policy to make sure that that's exactly what it is. As opposed to giving away resources that otherwise you were going to have anyway. >> Garza: Okay. Thanks. >> Mayor Adler: So as I look at this -- let me go over this, then I'm going to pass it to you. The -- obviously, a lot of work has been done in this, and it's evidenced by what you see here, also by the amount of time that you've given the community talking to people. There's pretty extensive community engagement process on this, and I thank you for that there's a lot here, and some of these slides, I'm really going to have to sit down and work through. My understanding -- do I understand correctly that what

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happens now is this -- it looks like there's, like, a month now where this is out for us to be able to react with the community to be able to react. Are you going to be going back to the community in that period of time? >> Yes. We plan to go out not community again. We plan to host another session here at city hall where we're going to close out the process. We have a number of meetings that we heard from you all that you'd like for us to connect. We're connecting with the state. We're connecting with the county to better inform them about what it is our intentions are for moving forward with economic development and see how we can leverage their participation. We're also meeting with different community groups as well, everyone from the different commissions to maybe the workforce, investment board, and Austin community college, what have you. So yes, we still have some parts of the public input process. >> Mayor Adler: Okay. So at first blush, this seems to me to be a significant improvement over the policies we've had in the past, which actually, when you look at them, have always felt a little morphous is to what we were trying to accomplish and how we were trying to accomplish those things. So at a really high level -- and correct me if I'm wrong -- what this seems to be doing is focusing on the outcomes, to really focusing first on what the community benefits are we're trying to achieve, then figuring out a way to achieve them. This becomes just an additional tool, funding source, to be able to do the things that we've been able to prioritize as part of our strategic planning and the like. So to the degree that you've kind of turned incentives on its ear, I think that this is -- is there any other cities that you're aware of that's done this? >> No, is the short answer. Not in this kind of comprehensive and thorough way. We seem to lead the pack a lot on this kind of stuff. People ask me all the time, where are the best practices, and we did some of that as part of this equation, we did a fair amount of looking around, but as in lots of

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other things, the city of Austin is a thought-leader in this equation, and I don't think anybody has quite as thoroughly done what we have done, is to take this portfolio approach, really reflect community priorities and say we can harvest some of the benefits of our overall prosperity and again, if we can do some targeted recruitments to really show off the parts of our community that are facing challenges that, in part, are brought by that overall prosperity. So I think so. >> Mayor Adler: And Jimmy, then Leslie. >> Pool: I'll just ask a couple of questions, and thank you all. This is just great work, and I know you've been working really hard on this. So help me understand, and I know the details are down the road, but help me understand. So if I -- if I'm a small business and I have a creative space for artists, and I am having difficulty with the rent, is there a program here that will help me? >> Currently, we have our art space assistance program that has been fully tapped by \$200,000. We've learned some lessons along the way, and we would like to create more of a sustainable program. We could work directly with that business, perhaps through an expansion project. >> Kitchen: Okay. >> But looking at this portfolio, we are looking at how it is we can drive more resources so that we can connect more with an inclusive

economic growth package. So looking at developing out loan programs, perhaps, for those types of users, looking at how it is we can take that acep model and look at cultural, creative venues, more musical venues as well, we see more of these resources coming online. >> Kitchen: Okay. So I'm just going to ask a few and I'll let it go. So does this -- does this

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contemplate then, if I'm -- I'm trying to figure out something beyond just a loan program for, you know, a rental assistance program for creatives. For creative spaces. And I know that there's still more detail, but I can't find a bucket that goes under it. So my question is, does it go you were the business expansion program bucket, or does it go under the location-based program development bucket? So what if -- so what if a -- there's a new place that people want to create, where they want to create a creative space, could they get an incentive under the location-based program, or under the business expansion, or both? I mean, where do they -- I can't tell where they fit. >> I think some of it is evolving. Let me go back -- >> Kitchen: Sure, that's fine. >> -- Your original question a little bit. One of the things we were thinking about the classic case, and we all know examples of this, is you have a heritage organization whose landlord is sky locating the rent and they're having a hard time. Right? >> Kitchen: Yeah. Give me an example with a creative -- >> Hyde park theater kitchen give me an example with, you know, a creative arts. >> Well, Hyde park theater is the one I'm familiar with because I'm on the board there. But. >> Kitchen: Okay. That's fine. >> So anyway, our rent has risen continuously for a number of years. >> Kitchen: Okay. >> So one of the things we're trying to think about is how can the city participate with us and our landlord to mitigate some of that increase in the rent, so whether it can be either capping the rent at some level or slowing down the rate of expansion or whatever, and we are thinking about ways, for example, that the property taxes paid on the facility, which we don't own, that are owned by the landlord, a portion of that could be brought back as a way to offset some of the rent increases. That's an example. We were trying to think through ways we could build a thorough program around concepts like that. Similarly, you have a developer who wants to build a new

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development of some kind, and we say to him, gosh, it would be great as if you'd include some creative art space in that. And if you will do that, maybe again some of your overall property tax liability could be allocated to help constrain the rent for -- and we'd have to carefully define this. >> Kitchen: Sure. >> I call it a heritage organization of some kind. >> Kitchen: Sure. >> But you get the idea. That's the concept that's being thought through. Those details haven't been completely worked out yet. Not sure about the legal structure or any of that. But that's clearly the idea. That's clearly in the spirit of this, which is, you know, the values are increasing and how did we take some of those gains to offset costs to heritage organizations or other desirable groups we want to support. >> Kitchen: Okay. >> I'm sorry -- >> Kitchen: No, that's -- >> I didn't mean to choke you up. >> Kitchen: So which bucket would it go in? >> I don't know, David which bucket do you think? >> Well, I like the idea of being able to put in it multiple

buckets. >> Kitchen: Okay. That's all I wanted to understand. >> Yeah. >> Kitchen: Because maybe my question really is, it looks like there's two new buckets that are going to be started with, with a framework for creating additional buckets. And those two are the business expansion program and the location-based. So I guess really what I'm trying to figure out is if the kind of scenarios that we just talked about would fit in one of these buckets, as opposed to having to come later. I would want them to fit in one of our initial buckets. Do we think that they would? >> I need the ability to work with more of those location-based agreements which means I need an ordinance that says we, as economic development, now have the ability to create those types of resources for you. >> Kitchen: Okay. >> And work with those types of partners. So the first step that we saw in the process is that ordinance that helps us to bring forward more information for council. But you will see elements of the creative community reflected within the existing bucket.

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It's just a different standpoint. I think you'll see a stronger press for what it is you would like to see within that location-based work, when we're able to directly connect with those different types of developments. >> Kitchen: Okay. So you mentioned that you need an ordinance that provides -- is that one of the ordinances that's going to be brought to us in June? >> Yes, ma'am. >> Kitchen: All right. Then let's see, just one other question. So in terms of the business expansion program, can we think of those - I think you answered my question with what you just talked about, but can we think about that in terms of small businesses as helping to stabilize them, as opposed to they have to hire new -- as opposed to them having to hire new -- new employees before they'd be eligible? I'm trying to understand how rigid expansion might be. >> You know, I think it's open for conversation. >> Kitchen: Okay. >> What would your definition for stabilization be? >> Kitchen: Well, it may be -- they may need assistance with health coverage, for example, to help their -- their -- stabilize their workforce. >> Uh-huh. >> Kitchen: And prevent turnover, for example. >> Uh-huh. >> Kitchen: And they may need to do things like that before they're ready to add workers. So I'm just wanting to make sure that, with regard to small businesses, the term "Expansion" is not so narrowly applied that it only means hiring a new worker. >> I think the spirit of this is that we are trying to respond to what the community has told us their priorities are. We wouldn't pretend to have an exhaustive list. >> Kitchen: Okay. >> -- Of what those are and we would welcome, I would think, some council input, particularly based on, obviously, your interactions with the community about what's needed to refine the details of the programs. What this is largely an effort to do is to put a structure in

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place -- >> Kitchen: Okay. >> -- That allows this kind of thing to be developed. >> Kitchen: Okay well, then my last question would be, on page 28 -- well, first of all, I'm intrigued and interested, and I think it's great to have this kind of -- you know, kind of program where you can, you know, reinvest the dollars, I guess might be the best way to talk about it. I would be interested in understanding -- I'd be -- I

would be concerned or I would just want to watch out for the fact that the only way that we were funding new 380 programs was through this, because what this -- in some ways, it's almost like the company recruited are larger companies, if I'm understanding correctly, bringing in larger companies from the outside into our community, which is fine, that's not a problem, but I wouldn't want this to be - I shouldn't use -- well, I wouldn't want this to be a trickle-down kind of thing, where most of our investment goes into the larger businesses, bringing them here, and we're only helping out the smaller local creative businesses to the extent that we get dollars off of bringing the large business in here. That's the only thing I'd want to be careful about. But -- so this might be good in addition to other funding that we would have. >> That's obviously all up to council. >> Kitchen: Okay. >> We wouldn't presume to tell you how to make budget decisions. >> Kitchen: Sure. >> We were trying to show you a way to enhance on the revenue side that might inform that conversation. >> Kitchen: No, I think that's great, I think that's a good idea. I guess it's more of just a cautionary note for all of us, that -- and also it takes time to build this kind of thing, so -- >> It does. >> Kitchen: Okay. >> Mayor Adler: Jimmy. >> Flannigan: I really appreciate all the hard work y'all have put into it thus far. I know there's still a lot of hard work yet to come a lot of detail to dig into, to the mayor's point. It's going to be a very interesting and valuable tool if we can pull this off. And especially the slide at the

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beginning where you listed all the challenges. I don't know if staff intentionally put the waller creek presentation in the same time as this one, but I am struck by the similarities between the tif at waller creek and what's being contemplated here. This is on some levels a tif reeconomic development. So it, to me, necessitates the same level of due diligence that I'm trying to do on the waller creek side, and I think councilmember Garza laid out some of those concerns that I share in this presentation. If we can make the math work, then there is new money that there wasn't before. The but-for question. And that's the challenge there, wouldn't be anything prohibiting us from just funding all of the other programs from the general fund, except for all the other things we want to spend that money on, or, you know, to be fair to our absent colleague, give it back to the taxpayers. That, I think, is a really interesting analysis to have been presented, both of those today, because it's a really interesting outlay of how these tools can be valuable if we can really prove up that the money is new, versus the money not being new. So thank you for all your hard work. >> Mayor Adler: Leslie. >> Pool: Thanks. Just a couple of questions. On page 21, when you were going through the old ordinance, it says may include the retail component, I know that was part of the original ordinance, but wasn't that removed sometime between 2009 and 2014, the trail component piece? Retail component piece? I thought there was some change to the ordinance. >> Kitchen: Could I speak to that? >> Mayor Adler: Okay. >> Kitchen: That was in the ordinance that we passed on the creative spaces, we asked staff to come back and change that. >> Pool: Right. >> Kitchen: So you're right, it was changed, but the request in the ordinance we all passed was to take that back. And that's the ordinance he's

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talking about he has to bring in June. In other words, to allow the retail -- >> Pool: Right. It's been removed or it is going to be removed. >> Kitchen: Right. >> Pool: I just was trying to establish my timeline for when -- continue previous council had also raised concerns about the retail component. >> Tovo: Well, it was out but it's being contemplated -- >> Pool: Contemplated. >> Kitchen: We passed to go back in, to allow it to go back in. >> Pool: Again, I'm trying to establish the timeline of when it was removed. >> Kitchen: Okay. Sorry. >> Pool: Because the previous council indicated some concerns about how to retail component was being handled. >> Correct. We can provide you the original resolution that removed that ability after this. >> Pool: And then when you do could you also -- assuming that that has some context to explain the issues that removing it was to address? >> Okay. >> Mayor Adler: And why you want it to come back now. >> Pool: I'm sorry? >> Mayor Adler: And why it is that you want it to come back. >> Pool: Which was -- exactly, and that was my follow-on because I want to make sure that what they're doing with this new retail component isn't revisiting what had been removed previously, or if it is, then why it's good to put it back in. >> Kitchen: And we passed -- if you do that within the context of the resolution we passed asking you to put it back in which was within the context of allowing for the creative spaces. >> Pool: So, let's see, my next question is on page 25. The 200,000 that we passed in the last budget for the cultural and heritage business -- went to the cultural and heritage business preservation, and I just want to make a point here. The actual intent of the council -- because I led on that particular budget amendment -- it was simply to keep the doors open for three existing cultural centers. And I realize that staff ran into

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some programmatic barriers that caused it not to happen the way the council expected. So, hopefully, if that sort of thing occurs again, then we can get briefed on what the barriers are so we can help remove it ourselves because it really delayed some of the changes that we were anticipating, especially the use of that money, and caused consternation in the community that felt like it should not have occurred, and maybe we could have done some things if we had known that that was out there, those of us on the council who supported that change, we could have helped mitigate that. Okay. So those were just sort of general comments on those. Then on page 28, I'm wondering, John, in your presentation, you talked about the fiscal cost/benefit analysis, the hundred-dollar direct and indirect benefit, and the 07, and the 70, which was just a proxy. >> [Off mic] >> Pool: So when we start looking at this more specifically, would it be possible the flip those dollars, to have less money going in on performance-based incentives -- >> Sure. These aren't parameters. It's just an illegals. Just an illustration. and in fact in policy and practice, it's no more than 50% of the value. You can front-load things a little bit -- I'm sorry, my mic isn't on excuse me. I've always said the community should get more than it gives. And if you set a ceiling, the absolute ceiling at 50% of the present value, then you can say to your constituents, hey, at the end of the day, it's a new deal, wasn't going to happen otherwise, and we got more than we gave, which is I think a pretty good place to be. >> Pool: You a and I are, I think, of like mind on that and in this instance, it looks like the city is going to in and helping to support the benefit when, really, we're asking the

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businesses to come here and provide the benefit to us, because they want to be here. We don't need to pay them to come here. >> Right. That's right. >> Pool: Okay. And I think -- oh, last question. Then in this scenario, when you work out some more of the details on this program, will you also talk about what happens to the funding, to the dollars in these funds if they're not spent, what happens if we get to a place where our local small businesses are doing great and we don't need money in those particular coffers, will this be changes that happen out in the business work site? >> Absolutely. We see this business model able to help us connect with whatever the current economic conditions may be. >> Pool: Okay. >> Or whatever the new issue may be at that point in time. >> Pool: Great. And that is one of the flexibility pieces, wasn't really in the previous 380 agreement. Right? >> Correct. >> Pool: Or the ordinance? >> Correct. >> Pool: Thank you. That's great. This really does represent a huge change for the city and I really appreciate all of the work and the creative inspiration that you guys are bringing not table to put this together. I'm really cheered by this. >> Mayor Adler: Mayor pro tem. >> Tovo: Yeah, thank you. This is a lot to think about and is all really interesting and I think a good direction. I wanted to just double check. You know, we had some important provisions that were added in in 2013, and I want to be sure all of those would be reflected in any of the programs you're developing, and those range from health care to base wages to prevailing wage. >> Absolutely. You will see those items front and center in the new policy document coming forward, but what we look at is, how would we bring forward those themes in new

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programs. So, again, like we looked at the creative content model, we would have more niche programs that do connect with the proper requirements that we've stated in the past, but still allow us to administer a competitive program. >> Tovo: I'm not sure I'm understanding the answer. >> Uh-huh. >> Tovo: Would participants in the program still need to comply with the wage requirements that are in our existing program? Would they still need to comply with mbe/wbe, participation, some of the other -- the other provisions, health care, some of the other provisions that were added into the chapter 380 agreement in 2013? >> The general answer is yes. There may be exceptions along the way there. For example, there have been a couple of areas around the disadvantaged business area where there have been some challenges associated with that, and we want to identify those and bring those back for further council discussion. But certainly in terms of council's articulation of community priorities, we've got to reflect that in every deal we do. We've got to reflect that in sort of the baseline requirements that underlie each deal. >> Tovo: So as I understand the answer then, they'll be reflected, those provisions will still be reflected in the base requirements, though staff might bring forward individual proposals that veer from them, but they would be noted as exceptions. >> Correct. >> Tovo: Okay. Going back to the question that councilmember kitchen asked a bit ago about what kind of financial -- she asked the question about what kind of financial support is available to create -- will be available to creative industries, and the answer talked about an interest in finding a more sustainable model, but it wasn't clear to me what that -- what that looks like. I know that right now we provide rental assistance, and to

me that is certainly not as sustainable as assisting some of those -- I mean really what so many of them are facing is that they don't own their own space. So we can assist them with rent,

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but that is -- that is not a sustainable model. So are you looking at other -- whether it comes out of property taxes or, you know, your answer is still about rental assistance. >> Right. >> Tovo: So I guess I would ask, what kinds of things might be in the works for a more sustainable solution that would be a loan to help secure ownership. >> The city has the capacity to create loan programs in a variety of different ways, and this is a question for council to consider, do you want to loan individual organizations money to, you know, essentially own their own space? Do you want to build more spaces that can be accessed by a variety of different organizations? Do you want to provide rent support to individual organizations? I don't have the comprehensive answer to that. I think that's an overall question that we should probably think about in something of a holistic way, which is really what are the space requirements of our cultural and heritage organizations, and how do we develop maybe a series of programs that address those in a more holistic way. We haven't done it yet and obviously wouldn't do it without lots of input from you and the community and everybody else. >> Tovo: Seems like right now we do number 3, but 1 and 2 would be good options to consider building space and lease it out, so you have that long-term, as well as assisting businesses with the purchase of it. And so that, I guess, leads me to the economic development corporation, which you've noted here a few times, an independent -- external entity that could assist with property acquisition and land banking. I know we've talked about it in the previous resolutions as being appropriate for both affordable housing, potential affordable housing acquisition, as well as for creative spaces and other uses. So what is, I guess -- where will that conversation go next? >> Sure. We'd like to bring that conversation back to council.

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We have a variety of working documents that we've been working with legal to develop in terms of articles of incorporations and bylaws. As I stated, we need to speak about the structure of governance, how it is we would appoint that board or body so that they were in step with the city's economic development efforts. Then we need to look forward as to an implementation strategy. So I would imagine that we would look to bring forward that conversation in the near future. >> Tovo: Great. So do you envision that as kind of a work session where we're talking about some of the policy elements of it before you go and craft those documents? I know we have a couple of resolutions including one I brought, asking to you create it. It seems as if -- I'm not sure if that's what you're doing, if you're actually creating it at this point, or if there's a need for a policy discussion. It's listed as needing further council discussion, so I'm just trying to figure out what the space is and time frame for having those conversations, and what are the issues that we should be thinking about to provide feedback on as you go forward and develop it. >> So Rebecca [indiscernible], interim of economic development department. I do believe we'll get to a point where work session discussion will actually be helpful. So in identifying

some of the elements that David has just recommended, the governance structure and how to operationalize the third-party entity would be helpful, as well as just walking you all through what other practices in other cities have looked like. >> Tovo: What do you see as kind of the time frame for that conversation? >> I believe we'll need to dig a little deeper with you all when we bring forward the information for adoption, whether that's June or later, depending on what your work session schedule looks like. >> Tovo: I see. So that might be one of the things that's coming forward to us in June to actually act on the economic development -- >> Certainly to have more conversation. I don't want to overspeak, but we know that we will need to work with the law department and

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potentially even loop back around with outside legal to determine how best to have that discussion with you all. So I don't know if that will be June, but I do envision a work session will be helpful. >> Tovo: Okay. For a discussion, not action to create. >> Correct. >> Tovo: Okay. Thank you. And then on the -- on page 29, it talks about developing -- under the bullet about economic development entity, it talks about developing a policy for economic acquisition and disposition of city owned resources. I want to make sure that's a conversation engaging -- there was a past resolution -- we've had a series of resolutions, but one very long ago, set up an interdepartmental team to look at -- to look at real estate needs and things of that sort, and then there was a more recent resolution that I brought forward a year and a half ago about working with developing a policy in conjunction with other public partners like AISC and Travis county. So I want to be sure that this bullet is engaging with those other efforts, and -- I'm losing track a little bit -- I'm sure that it is happening in conjunction with those, but it's not clear to me how. You know, I see housing represented, I see real estate was here earlier, they're not here, now we're talking economic development, I just want to be sure that this is truly a broad-based approach, that isn't just engaging multiple departments across our city but also engaging those public partners that we wanted to see involved in this as well, in developing formal policies for how we're going to work together as a community, but also how we're going to work together as a city. >> We appreciate that. I'm hearing the direction and I think there's several different forms we can interact with to ensure that that's evidenced, as well as that conversation can be engaging, I think in a different form, such as the joint subcommittee, for example. So I appreciate that guidance, and we will do a good job documenting along the way how we bring forward the conversation

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with you all. . >> Tovo: Right. I think the joint subcommittee is a great place of this to say conversations, too, but the resolution was directing -- was asking our city manager to go forward and create -- not create, but build on the relationships it has with real estate, those who are handling facilities in real estate and those other entities. And I used the example when we talked about it the first time, that it was my understanding from a sister city visit that there are actually entities -- cities that have very formal relationships with -- they have formal relationships and agreements with their public partners

about how they will -- how they will -- what they will do first when they find that they have a surplus, a piece of surplus property, you know, they will first go -- anyway, kind of -- mechanickizing those things. I think that probably merits a little bit of decision. City bit of discussion. I think the continued conversation too is sort of what the role will be of the economic development corporation in that second bullet. So I look forward to those conversations. Thanks. >> Mayor Adler: Okay. The last one with the light on, then Greg, then we'll do the depth capacity deal, then go into executive session. Allison? >> Alter: I'll be pretty quick because I have an opportunity to speak with economic staff and Mr. Hockenyos and had my questions answered. I'm exciting about this direction, I like how it really fits with our strategic plan and I appreciate the amount and level of public input that does appear to be responsive to the kinds of questions and concerns that I to encourage you to make sure that you put forward a request in the new budget process as a number of the things that you're putting forward fits squarely with our strategic priorities and our concrete

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ways that seem far enough long that they would be candidates for that process. I'm a little bit skeptical given everything on our plate with the budget to have the opportunity to have the funding squared away and to be able to act on the economic development corporation in time for the budget, but I do think we don't have to wait on moving forward with some of those things potentially from the general fund. As we look to stop doing some things that are not in line with our priorities and doing some new things, I just want to encourage and make sure that you have been part of that process. And if you haven't, maybe the city manager can allow you to jump into that process here now in may. The question I had from your presentation relates to a small comment that one of you made about state funding and being able to leverage that. I wanted to clarify are we currently leveraging all the state funding that we think we can or are there aspect of this redesign that will be allowing us to access more state funding? >> My hopes are to continue to access state funding through the chapter 380 to be able to access that funding. Now we have to be able to provide local participation within these types of programs. So I think to some degree we will continue to connect with state funding. I hope that we would have a partner within Travis county that can connect with us as well on these particular types of projects, but I think that in some cases we will not be able to access state funding just because of the constraints of the state program, but in being able to speak with them more about our efforts moving forward, I think they'll be very receptive. They've always helped us to leverage a lot of their programs that are available and have been good for us in terms of process for connecting with our clients. >> Alter: Would there be any new state legislation that would be needed that would be more supportive of this that we could engage our local delegation to help

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us with? >> I think those will be strong questions for the state. We do have the opportunity to meet with them. And if that's of interest we'll be sure to bring forward that information. >> Alter: Great, thank you.

>> Mayor Adler: Last question, Greg? >> Casar: Here you have it in June we'll be adopting the guiding principles and in May you will be presenting the guiding principles. Is that part of this presentation? General lit it's hard for me to make a judgment on what I like and don't like at this high of a level. >> Absolutely. We're going to be getting those documents over to you today, by the end of the day. And then we're going to be providing that information to the public as well via our information portal. We've got everything throughout this entire process that's outlined through the website. So we will be getting more of that information to you and we would like to have more conversations with you over the coming months or the coming month to better understand what some of your concerns may be or some of the questions you may have. >> Casar: Okay. I will save it for that because generally topicwise I like the idea of being more locational, the idea of focusing more on middle skill jobs and that work, when we get to those levels. I could have big concerns or no concerns. I had voiced in an earlier presentation that the locational issue can be a double-edged sword. I have very hot pockets of unemployment relative to the rest of the city in parts of my district, but just because a business locates nearby those hot pockets of unemployment doesn't mean that we're going to create any employment for those folks. I'm not saying that that's what's in your guiding principles, I just haven't seen them because they're not out until later. So I might have a concern that that's in there and I might not. So I guess I would just basically put that as a placeholder to say it's hard for me to be extremely excited or extremely concerned about anything I see here except insofar as

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it's been a lot of work and I appreciate that work, but we'll have to save my comments for another time. The only thing that does -- I do want to signal to my colleagues is I do have some discomfort with the net benefit of the large recruitment being dedicated to these buckets at this time. Maybe as this goes along maybe it will become more clear to me, but it just seems to me like -- why we would -- I think that part of the issue you've framed up, Mr. Hockenyos, well, is that people may not be so clear and educated as to what the benefit is that's coming in. And sometimes naming what it's going to be can be really helpful to people to say we created this deal and it had this benefit. I could see some benefit in tying it to, as councilmember Garza pointed out, a particular project or a particular good, but as councilmember Kitchen noted, really interlinking parts of our budget that way sometimes creates a skewed way of our own decision making, our own budgeting process and I'm just concerned about that. So I think potentially in spirit the idea of if we're going to do a deal, let's really show people what the benefit is and not just let it wash out into the general fund and it's now spread really thin across 30 departments. I get that, but it being so tightly wound up and within our budget I have some initial concerns about. >> Mayor Adler: Ms. Houston? >> Houston: First of all, I want to thank you all for listening to the community and being very nimble and innovative in trying to come up with some solutions. These have been problems from a long time ago, and if we had done something innovative like this maybe five, 10 years ago, we would not perhaps be in the situation where we have the tail of two cities that we all talk about and know about. I love the fact that we'll be looking at locational placements for employments because all employment can't be downtown or at the edges. They need to be places where

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people can live close by and have transit to get to them without having to use their cars. So I'm thankful that you all have taken this on because I think it says to people that you are listening to the way we used to do things and the way we hope to do them. It's not all the way there yet, but I think the fact that you're able to give this briefing today says that you are on the right path. So thank you. >> Mayor Adler: Thank you very much, guys. >> Mr. Mayor, just real quickly. I'm very fortunate to be in this process in this community for a long time. I've worked with a lot of communities. And I want to say that working with these guys to my left in the Ed department in general, these guys have done an exceptional job. This is among the best staff work I've ever seen and I feel like it's a privilege to have been part of this. Thanks for the opportunity. >> Mayor Adler: Thank you. David, thank you, your team. All right. Final update before we go into executive session? I've been told this is a really quick presentation? [Laughter]. >> I'll bring out my old fast-talking Philadelphia accent and see if we can get it done quick. This is a very quick update. I'm joined with Belinda weaver, our interim treasurer, Brian Rivera, our deputy treasurer, and Katie you know who has been working on the bonds. So we have a short powerpoint today to give you an update on our bond election, but really specifically today just about our debt capacity, about where we are. Kind of the new numbers so that as the process moves forward you know where we are. So really a lot of these slides you've seen before, therefore really the public -- this is where the bond committee finished. This is history about our tax rate and our typical types of debt. You've seen all of these slides before. We like keeping them in the package. Here's some assumptions. One assumption I'll tell you about here as we get to it is remember we still have about \$750 million of bonds to sell from our previous bond program. Remember, we don't sell

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bonds all at once over a bond election. They occur over the course of an entire bond program. That is a key assumption as we have our new six-year look at capacity. Generally it's good news today. Back last may, I believe, Katie, March, we provided you an initial look at the bonding capacity that could be available for potential November '18 election. In general those numbers have gone up about by \$50 million. At the constant tax rate, our tax rate now is about 10.55. Remember there's still about another penny of the mobility bonds that still need to be added. Overrule that's less than we anticipated because our conservative practice is on valuations. So at a constant tax rate we can generate an additional \$375 million of bond capacity. That's \$50 million higher. Layering on an additional one cent to the tax rate, again that tax rate would be lowered on over the course of years, not all at once. That will get us up to 625 million and a two cent increase over the current tax rate would be \$875 million. So again generally good news above where we were a year ago and that is really due to our increased assessed evaluation growth as well as these guys continue really fantastic run of the debt management and trying to pay off our principal in a good period that really helps us manage our debt profile. So that's really the good news for today. We wanted to get that out to you. Remember this on the tax bill impact. When we look at that you're looking at two cents on a 300,000-dollar home and that's about \$60 a year or five dollars a month. And then lastly, where we are in terms of the overall, as this moves forward

as Karla and Katie continue to you the staff, the bond committee provided you an update several work sessions ago.

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Next week as was detailed out the last time we met, staff will be getting out an update, some tweaks to the bond committee recommendation and find new facts we have, get those tweaks back out to you. And then generally the calendar is by June 26 we would be looking for council direction on creating an ordinance to come back and create an ordinance and then August 9th, 15th and 20th there are the legal frameworks for you to be setting an election. That's our update. >> Mayor Adler: Okay. Ms. Houston? >> Houston: On slide 9 you show what a two percent increase would be on a -- I guess that's the median 300,000-dollar home? >> It's about -- I think it's about 318 or 320. So generally 300,000. >> Houston: Could you also show us what a one percent increase? >> Yes, we could get you out a table and we'll extend that out to you. It's a very easy calculator that we usually put on our website and we send out in advance of these, but I'll get you those exact numbers. >> Houston: Thank you. >> Mayor Adler: Councilmember Garza. >> Garza: Can you explain for the public or a councilmember who doesn't quite understand this all, the two-cent increase -- two-cent increase over what? >> So our current -- I'll come back here if I can. So the property tax rate that you adopt each year has two components to it. The first component is the o&m rate, that's what goes to the general fund. Our tax rate right now is 40 cents generally. I don't have the exact. Thirty cents of that goes into the general fund to pay for your general fund costs. The the remaining -- >> Garza: Wait. Forty cents, what is that? There's something of the valuation of every \$100? >> So the tax rate that the city council sets is per \$100 of valuation and that is the same that every taxing jurisdiction.

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It 40 cents per 100-dollar. Forty-four cents, I was rounding. Forty-four cents per \$100 of valuation. That is the city component of a tax bill. That if you're a traction pair or homeowner or taxpayer, there's other jurisdictions that also levee a tax, Travis county, the school district. That's the typical slide that Ed shows you. Of the city portion of the overall tax rate, our portion is 44 cents per \$100 of valuation, so that means for every \$100 of value that you have, you pay 44 cents to the city of Austin. We then receive those funds. The tax assessor -- the traction assessor collect those funds, remits the payments to the city of Austin that we are due and then we take 34 cents of that and it goes into the general fund. And the otheren cents is used to service debt on an outstanding debt that the is city of Austin has already issued. When we look at the two cent increase it is on top of the service portion of the tax rate. So we would be going from ten cents to 12 cents. >> Garza: So 46 cents. >> 46 cents. All other things being equal, there's other things at play each year because of the way you calculate the rollback rate, other things happening on the o&m side of the tax rate. You get into roll back calculations, but the rollback rate is fixed each year and once that's fixed the rest of the tax rate is calculated around that debt service. It's one of the first calculations we make is the debt service piece because it's debt that has already been

incurred. Thank you for that question. It helped to clarify. >> Mayor Adler: Councilmember kitchen. >> Kitchen: Just a quick question. So June 26th, that's a work session day. Is the thinking -- I just wanted a little bit clearer on council direction by that day. Do you mean that we vote on the bond package we want to

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bring forward? Is that what you need by that date? >> It should be Thursday the 28th. I think we put the work session on there knowing that most likely you would want to have a discussion at the work session but given, staff original recommendation, the bond committee has spent upwards of 17 months working on a very well thought out bond program that had a tremendous amount of community involvement. You have all that information now. This new piece of information allows you to am could back and give us that last direction on so we can proceed in setting the legal framework and the ordinances of bringing that back. In the report you get next week, councilmember, will lay out those steps as well as show you how the bond committee recommendation could move forward. >> >> Kitchen: I wanted to bring that to my colleagues' attention because that means that we need to vote in June, not in August. So I just wanted to bring that to everybody's attention. >> Councilmember, just to clarify. I think what staff is trying to do is tee up something to give us guidance so that when we come back in August with the bond ordinance along with the other election components that we'll have that framework and we will have had a conversation with council. So yes, you will need to -- I think they're envisioning some sort of a resolution in June because you can't vote on the ordinance to adopt the components of the bond package until August. >> Kitchen: Thank you for the clarification. So a resolution in June that would provide our direction about what we're thinking in terms of the bond package. All right, thank you. >> Mayor Adler: Alison. >> Alter: I wanted to piggyback off of that and clarify so that the advice is for something to be voted on to be put on the ballot in August that you want

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direction for any ordinances to be given by the end of June to the extent possible. >> Correct. >> Alter: Thank you. >> Mayor Adler: Leslie. >> Pool: So I was going to talk about the calling of the election, but it sounds like that's been address. The additional pennies that you were describing as far as adding to the debt. It's my understanding understanding that we add those pennies when we sell the bonds, is that correct? Or do we immediately put the two pennies on at the beginning of fiscal '19? >> No. Thank you, councilmembers. Like all of our previous bond programs, these are estimates of what we would need. Debt would be sold again over six years so the assumptions behind this are interest rate assumptions, growth and assessed valuation, so the actual tax rate is what is needed to service that debt. We anticipate that they would occur in about a half a penny per year. So if it's a two-penny -- a two-pennies are required to get to an 875-million-dollar bond package. If it lower than that, then the debt need would be lower. We don't know the actual tax rate impact until after we sell the debt and once we know where the assessed valuation is, these are kind of general estimates of where they are, but for certain it

does not all occur at once. >> Pool: And it also includes the rolling off of the old debt once that is also paid off. >> Exactly. In fact, our entire model is based on that in terms of when debt rolls off that is justice you are able to get under a no tax scenario in an additional \$600 million. >> Pool: I was looking at something our bond oversight committee submitted and it talks about previous projects. I'm kind of expanding the conversation here, not from prospective, but from retrospective. I'd like to get an update on projects that are sort of still out there that were

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approved by the voters. For example, like in 2012 -- 2006 to get a sense of which projects were approved, what has happened with the funding because I understand not all of them have been spent. And then that also informs this -- the ability to have a two-penny increase to get us -- it also explains why we have 325 million give or take where we don't have to tax to raise that money, right? So I'd like to see what projects were Teed up previously that were not funded and were not completed because maybe we didn't have enough money or things changed and see how that feeds into the list of projects that are being brought to us for 2018 D that -- for 2018. Did that make sense? >> Absolutely, councilmember. In fact, the report that you get next week will also include an appendix showing the status of all of our existing bond programs, where they are, as well as where all of our debt is. So that will be a full part of the report that you get. >> Pool: Good. And could you highlight the ones that were listed on, for example, the 2006 bond ballot and that have not thus far been brought to conclusion. >> We'll go through all of this from two perspectives, from the appropriation, where the projects are, most people think about I voted for this project. Where is it, I haven't seen it yet or it's changed. So from the project and the appropriation and spending perspective and then also from the bonds what we sold because there's two pieces that work together that will all be -- thank you for that because we'll clarify that and we'll put that in this report that you get next week. >> Pool: Okay. And then maybe we can have some conversation about whether we need to have a new look at those projects or if we have gone so far down the road 13 years later that they're not relative anymore. >> So we have a bond oversight commission that's also been working diligently on that information and they've got some annual reports that I can get out to you as well ahead of the

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report being released next week so you don't have to wait if you would like that. >> Pool: I think I have that here. And then they also had some recommendations on how to more effectively move forward with the 2018 bonds, sort of logistical suggestions in here. I would like to see that conversation about this too so we could improve how we go forth with not only with-- not combining for the bonds, -- campaigning for the bonds, but passing them and implementing those projects once the monies have been approved. >> We actually have that as a bond question already so we will be getting that answer to you guys as soon as possible. >> Pool: Great. Thanks so much and thank you for your work on this. Appreciate it. >> Tovo: Just to clarify. The resolution that would come forward in June would be a staff

generated resolution based on the recommendations of the bond advisory task force? That would allow us to provide you with direction about how we want the language to look on the ballot? Is that typical, right, that the staff would generate that resolution. >> I'll just encourage some feedback in that time and so as I have one on one's with you I'll be interested in hearing information that will help inform what we put forward in that resolution. >> Tovo: And we'll have time on the -- we'll have time in June to discuss those elements as a group to talk about the amounts and other elements as well. Okay, thank you. But I just wanted to be clear that none of us needed to be thinking about bringing forward an ifc. The staff are going to provide a resolution that is the umbrella framework for that. Thank you. >> Mayor Adler: Alison? >> Alter: I wanted to ask if you could make sure we have some time set aside, some dedicated work sessions for discussing the bond and that we get those on our calendar KSAT 12 news at soon. I don't know how many is appropriate, but we're not going to be able to do it just on the 26th of June. And then I wanted to ask, I'm not exactly sure the best way to do this.

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I'm trying to understand how the mobility bond fits into the story of what the tax rate increases will be or how they will be perceived by the public. And I understand that it's in the debt service portion and that there was a portion of it that was part of the capacity that would involve not increasing the debt service and there was a portion that wasn't. But now that we have authorized these expenditures and the bonds, I would really like to see if we could play that out over time to get an understanding of how those different pieces fit together. And I'm not exactly sure what format makes the most sense, but as a citizen I'm going to get a tax bill and it's going to have my mobility bond and then have this new bond. And all of that is going to come together. And I would really like to understand how that would play out over time. And I know we'll be retiring some debt and getting some new debt, but I do think it's important that we understand so that we don't have a situation a year from now that folks are getting a 10-cent increase because we didn't think about -- I just don't understand how to think about that and I would love for you to provide a way to tell that story either now or in some future material that you provide us. >> Absolutely. We can provide. We have absolutely some deeper slides that we can put together that shows our debt profile. What I can say again is we -- part of the assumptions is there's still debt to be issued and that is a main assumption associated with the mobility bond and even some 2012 bonds. When we look at that constant tax rate, that's very constant plus we're estimating again sitting here right now knowing we still have four or five years of remaining debt still. About another penny on top of where we are to get to issue -- issue all the debt that has already been

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authorized by the voters. And then on top of that we would add the penny. I can get you a summary and some charts that kind of simple way so we can get it out to the public as well. These are questions we get throughout the course of a bond discussion and we'll be happy to get you some information and get it out to the full council. >> Alter: Okay. I look forward to looking through that and see if it addresses my

concern. >> And we can add it to the bond question website as well so it's out in the public. >> Alter: Great, thank you. >> Mayor Adler: Leslie. >> Pool: Two more things that some of this conversation has prompted me to remember is I also want to make sure that we have the staff capacity to move forward on these projects. And I will say I'm particularly concerned with the high dollar amount that's in the transportation section. I know that staff are being pulled off existing work in order to help with the mobility bonds. That's why -- that's my understanding why our quarter-cent projects are kind of delayed. So there's another almost \$200 million in this recommendation for more transportation bonds. I think some of them are necessary. I think the bridges for sure need to have some money put toward that, but that's about 60 million, give or take. So I have some serious questions about the large amount that's in here for transportation, plus the fact that when we did the mobility bond in '16, the conversation around the dais and the inherent promise to the community that was conveyed was that we would leave room for all the other needs in our community in the next bond and we would not be absorbing a lot of the bond capacity with more transportation projects. I do not see that reflected here and it doesn't look like it was reflected in the original staff recommendation. And I voiced this in a couple of different places so folks know how I feel about this and I think we need to address that. So that's an issue.

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And then the capacity of our staff to actually implement the projects. I think that the city of Austin has a pretty long flight path in getting to putting projects on the ground, turning the dirt. When we did the mobility bonds, one of the things that I recommended really strongly was that we shorten that flight path so that within the first year, for example, we would see some projects being put on the ground. And that happened. And we celebrated the new sidewalks. I think was the focus. And the community that went to build the level of trust in the community that they were -- they're going to go with us on \$27 million for mobility bonds and part of the promise that we gave them was you will see concrete examples of the improvements relatively quickly and for us it was a year. In the past, and this is some of the problem with the 2006 bonds that I've brought up, we -- it's in this report from the bond oversight committee. We may have projects that are not far enough along in the development time frame so that we can actually see the implementation of them. When we go out into the community to talk about the improvements that will be had by selling ponds bonds we'll talk about projects that they will see. And a lot of times they don't see them for a long time, for years. So I want to take that issue on. Change, but I'd like to see us telescope the amount of time that we take -- you shouldn't bring a bond to us for funding if it's not far enough along the development trajectory to get something on the ground within the six years that we're talking here or less. Let's just say four years, perhaps. So that maybe can be a filter for us in making our decisions about which projects we want to fund because we know this is not

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going to be the last time we go out with a bond and it sounds like we might be going out with bonds more frequently. It used to be every four years. I would like to look at this and scope the amount of money we're asking for. Then the last thing that I want to say is I think we need to be very aware of how when we crafted the covenant that was put on the ballot for the voters, the impact it has had on our staff to be able to actually move within the confines of what the projects were requiring. We went a great distance down the road to have a contract with the voters. And I urged at the time that we not be too tearfully explicit because in the long run we would find that we would then have to come back and actually vote to amend how we were going to handle things. And then the community would be saying, wait a second. That wasn't what I voted for. You've changed what I voted for. So there's potentially more transparency, but potentially more misunderstanding about what the projects are that we're trying to lay on the ground. So just as a concept when we are looking at approving the ballot language, I know that the attorney general goes in and signs off on the language, and generally the language is fairly broad and it doesn't include project by project allocations. We had that as an addendum I think in the mobility bonds and I would like to rethink that to make sure we're not inadvertently tying us up in ways to make projects take longer to lay out. Or if we need to move monies around because one project has had some delays or a wrong estimate. Maybe it was too low and another is too high, that we be able to move those monies around within the category.

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If that makes sense to y'all. >> Mayor Adler: My recollection is when we did the mobility bond staff came to us with a couple of different categories of projects and one thing helped us address mobility and new ways to move around and congestion and that kind of stuff. There was also a large thing that came from the transportation department that went to manages, bridges that they said are going to fall down at some point if you don't do it. And we opted in that bond package to not talk about those kinds of things except for a tiny piece of emergency type stuff. So I'll take another look at what it is that's coming from the bond people to the degree that it has like new transportation projects and I agree with everything that you said, to the degree that it is talking about maintenance and capital repair costs, that was not part really of what we had put into the bond election. >> Right. Which is why the bridges, for example, are brought back into fiscal '18 one and that's needed to be done. And one last thing. We can fund capital improvements, but we can't fund operations and maintenance through bonds, is that right? >> Correct. >> Mayor Adler: Capital renewal is the right word. All right. I think we're done. So we're going to --ING I thank you all very much. We're now going to go into closed session to take up three items. Pursuant to 551.071 we're going to discuss legal matters related to E 2, which is wholesale water and wastewater rates, public utility commission. E 3, which is the king versus Richter lawsuit. E 4, dripping springs application for permit to discharge. E 1 and E 5 have been withdrawn. Hearing no objections, it is 1:31 and we will now go into

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executive session.